

**CONFIDENTIAL**

Form 3160-3  
(April 2004)

FORM APPROVED  
OMB No. 1004-0137  
Expires March 31, 2007

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT

**001**

**APPLICATION FOR PERMIT TO DRILL OR REENTER**

1a. Type of work: <input checked="" type="checkbox"/> DRILL <input type="checkbox"/> REENTER		5. Lease Serial No. <b>14-20-H62-4866</b>
1b. Type of Well: <input checked="" type="checkbox"/> Oil Well <input type="checkbox"/> Gas Well <input type="checkbox"/> Other <input checked="" type="checkbox"/> Single Zone <input type="checkbox"/> Multiple Zone		6. If Indian, Allottee or Tribe Name <b>UTE TRIBE</b>
2. Name of Operator <b>EL PASO PRODUCTION OIL &amp; GAS COMPANY</b>		7. If Unit or CA Agreement, Name and No.
3a. Address <b>1339 EL SEGUNDO NE ALBUQUERQUE, NM 87113</b>		8. Lease Name and Well No. <b>BARCLAY UTE 2-24C6</b>
3b. Phone No. (include area code) <b>505.344.9380</b>		9. API Well No. <b>43-013-32671</b>
4. Location of Well (Report location clearly and in accordance with any State requirements.)* At surface <b>541052X 40.20017</b> At proposed prod. zone <b>725' FSL, 737' FWL SWSW 4449876Y-110.51767</b>		10. Field and Pool, or Exploratory <b>ALTAMONT</b>
11. Sec., T. R. M. or Blk. and Survey or Area <b>SEC. 24, T3S, R6W</b>		12. County or Parish <b>DUCHESNE</b>
14. Distance in miles and direction from nearest town or post office* <b>6.9 MILES NW OF DUCHESNE, UT</b>		13. State <b>UT</b>
15. Distance from proposed* location to nearest property or lease line, ft. (Also to nearest drig. unit line, if any) <b>725'</b>	16. No. of acres in lease <b>640</b>	17. Spacing Unit dedicated to this well <b>640</b>
18. Distance from proposed location* to nearest well, drilling, completed, applied for, on this lease, ft. <b>3500'</b>	19. Proposed Depth <b>10,000'</b>	20. BLM/BIA Bond No. on file <b>BIA 103601473 TRUST LANDS 400JU0705</b>
21. Elevations (Show whether DF, KDB, RT, GL, etc.) <b>5775.5' GR</b>	22. Approximate date work will start* <b>10/30/2004</b>	23. Estimated duration <b>10 DAYS</b>

**24. Attachments**

The following, completed in accordance with the requirements of Onshore Oil and Gas Order No.1, shall be attached to this form:

- |  |  |
|--|--|
| <ol style="list-style-type: none"> <li>1. Well plat certified by a registered surveyor.</li> <li>2. A Drilling Plan.</li> <li>3. A Surface Use Plan (if the location is on National Forest System Lands, the SUPO shall be filed with the appropriate Forest Service Office).</li> </ol> | <ol style="list-style-type: none"> <li>4. Bond to cover the operations unless covered by an existing bond on file (see Item 20 above).</li> <li>5. Operator certification</li> <li>6. Such other site specific information and/or plans as may be required by the authorized officer.</li> </ol> |
|--|--|

25. Signature 	Name (Printed/Typed) <b>CHERYL CAMERON</b>	Date <b>09/07/2004</b>
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Title **AUTHORIZED REGULATORY AGENT FOR EL PASO PRODUCTION OIL & GAS COMPANY**

Approved by (Signature) 	Name (Printed/Typed) <b>BRADLEY G. HILL</b>	Date <b>11-16-04</b>
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Title **ENVIRONMENTAL SCIENTIST III**

Application approval does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon.  
Conditions of approval, if any, are attached.

Title 18 U.S.C. Section 1001 and Title 43 U.S.C. Section 1212, make it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

\*(Instructions on page 2)

Federal Approval of this  
Action is Necessary

**RECEIVED**  
**SEP 09 2004**  
DIV. OF OIL, GAS & MINING

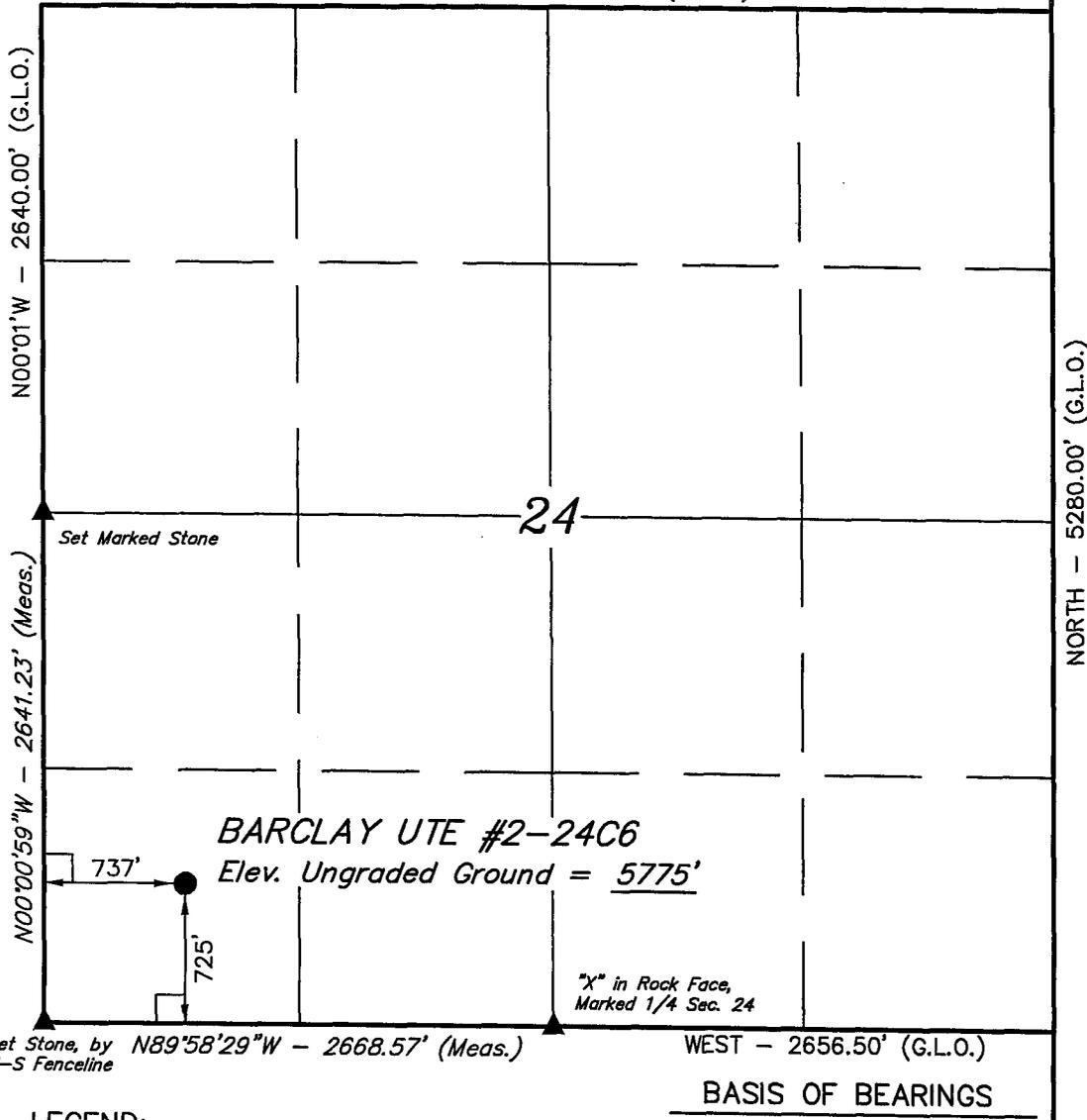
T3S, R6W, U.S.B.&M.

EL PASO PRODUCTION OIL & GAS COMPANY

Well location, BARCLAY UTE #2-24C6, located as shown in the SW 1/4 SW 1/4 of Section 24, T3S, R6W, U.S.B.&M. Duchesne County, Utah.

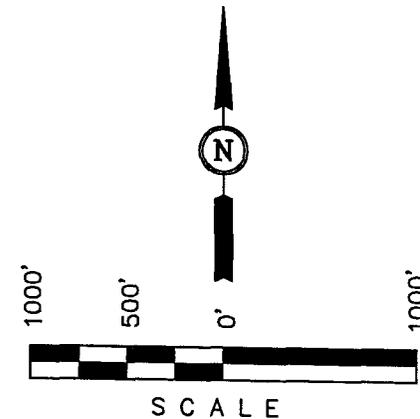
R  
6  
W  
R  
5  
W

S89°50'W - 5306.40' (G.L.O.)



BASIS OF ELEVATION

SPOT ELEVATION AT A ROAD INTERSECTION LOCATED IN THE NW 1/4 OF SECTION 25, T3S, R6W, U.S.B.&M. TAKEN FROM THE RABBIT GULCH QUADRANGLE, UTAH, DUCHESNE COUNTY, 7.5 MINUTE SERIES (TOPOGRAPHICAL MAP) PUBLISHED BY THE UNITED STATES DEPARTMENT OF THE INTERIOR, GEOLOGICAL SURVEY. SAID ELEVATION IS MARKED AS BEING 5744 FEET.



CERTIFICATE

THIS IS TO CERTIFY THAT THE ABOVE PLAT WAS PREPARED FROM FIELD NOTES OF ACTUAL SURVEYS MADE BY ME OR UNDER MY SUPERVISION AND THAT THE SAME ARE TRUE AND CORRECT TO THE BEST OF MY KNOWLEDGE AND BELIEF 161319

ROBERT KAT  
REGISTERED LAND SURVEYOR  
REGISTRATION NO. 161319  
STATE OF UTAH

LEGEND:

- = 90° SYMBOL
- = PROPOSED WELL HEAD.
- = SECTION CORNERS LOCATED.

BASIS OF BEARINGS IS A G.P.S. OBSERVATION.

(AUTONOMOUS NAD 83)  
LATITUDE = 40°12'00.71" (40.200197)  
LONGITUDE = 110°31'06.17" (110.518381)

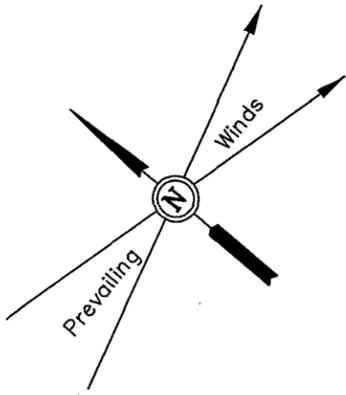
BASIS OF BEARINGS

UINTAH ENGINEERING & LAND SURVEYING  
85 SOUTH 200 EAST - VERNAL, UTAH 84078  
(435) 789-1017

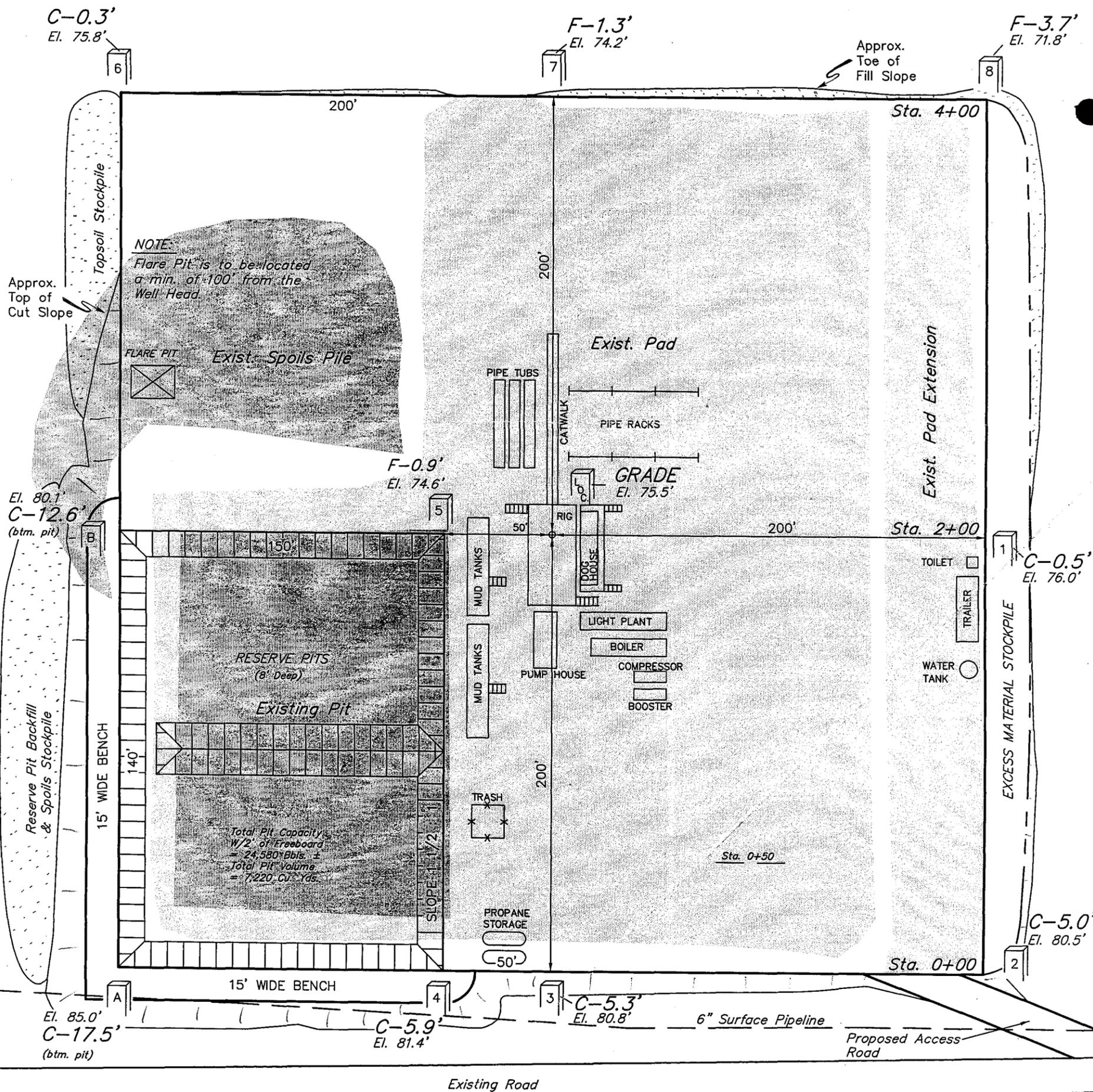
SCALE 1" = 1000'	DATE SURVEYED: 08-18-04	DATE DRAWN: 08-26-04
PARTY G.O. K.G. D.R.B.	REFERENCES G.L.O. PLAT	
WEATHER WARM	FILE EL PASO PRODUCTION OIL & GAS COMPANY	

EL PASO PRODUCTION OIL & GAS COMPANY

LOCATION LAYOUT FOR  
 BARCLAY UTE #2-24C6  
 SECTION 24, T3S, R6W, U.S.B.&M.  
 725' FSL 737' FWL



SCALE: 1" = 50'  
 DATE: 08-26-04  
 Drawn By: D.R.B.



**NOTES:**

Elev. Ungraded Ground At Loc. Stake = 5775.5'  
 FINISHED GRADE ELEV. AT LOC. STAKE = 5775.5'

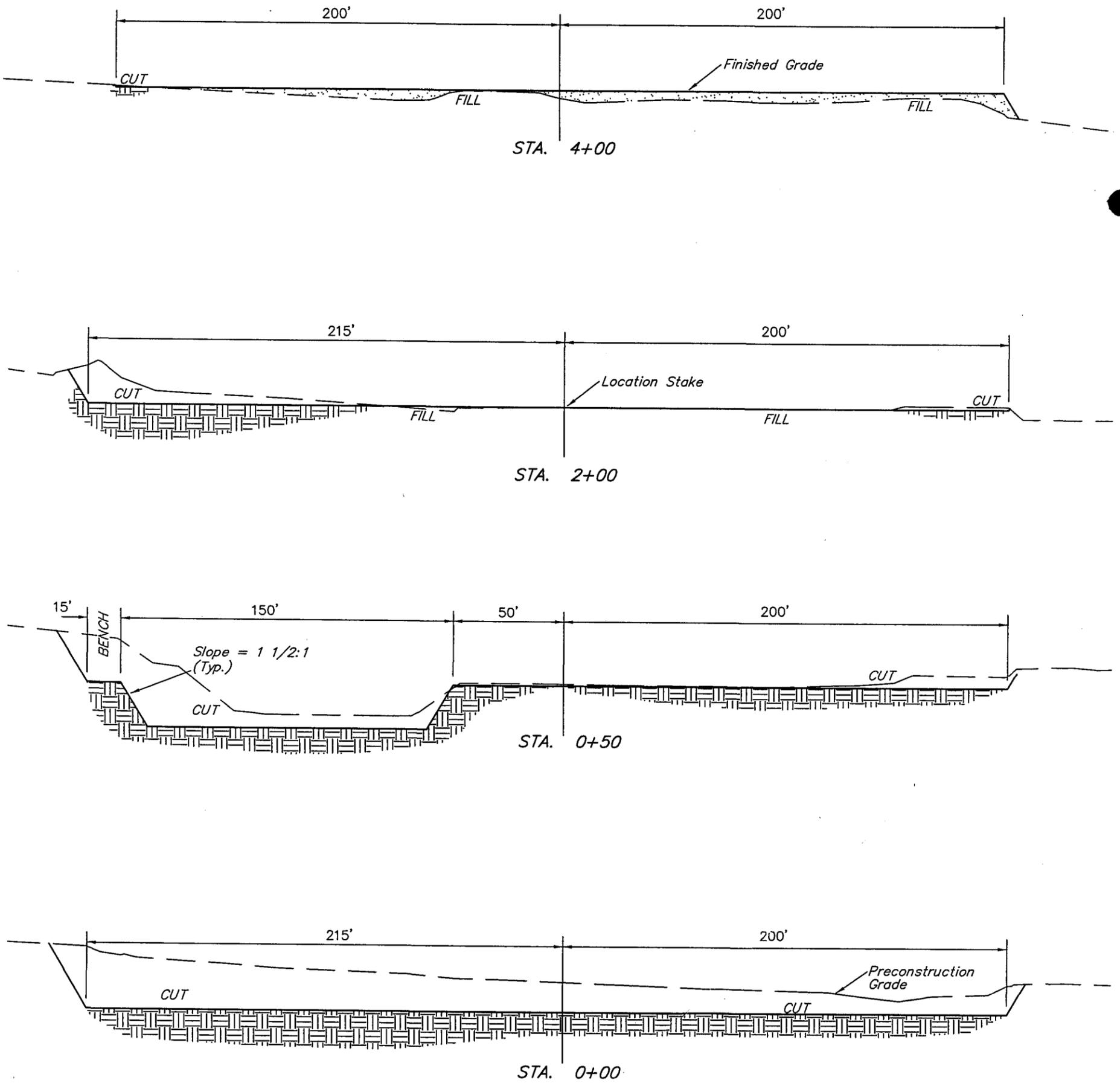
FIGURE #1

EL PASO PRODUCTION OIL & GAS COMPANY

TYPICAL CROSS SECTIONS FOR  
 BARCLAY UTE #2-24C6  
 SECTION 24, T3S, R6W, U.S.B.&M.  
 725' FSL 737' FWL

1" = 20'  
 X-Section  
 Scale  
 1" = 50'

DATE: 08-26-04  
 Drawn By: D.R.B.



\* NOTE:  
 FILL QUANTITY INCLUDES  
 5% FOR COMPACTION

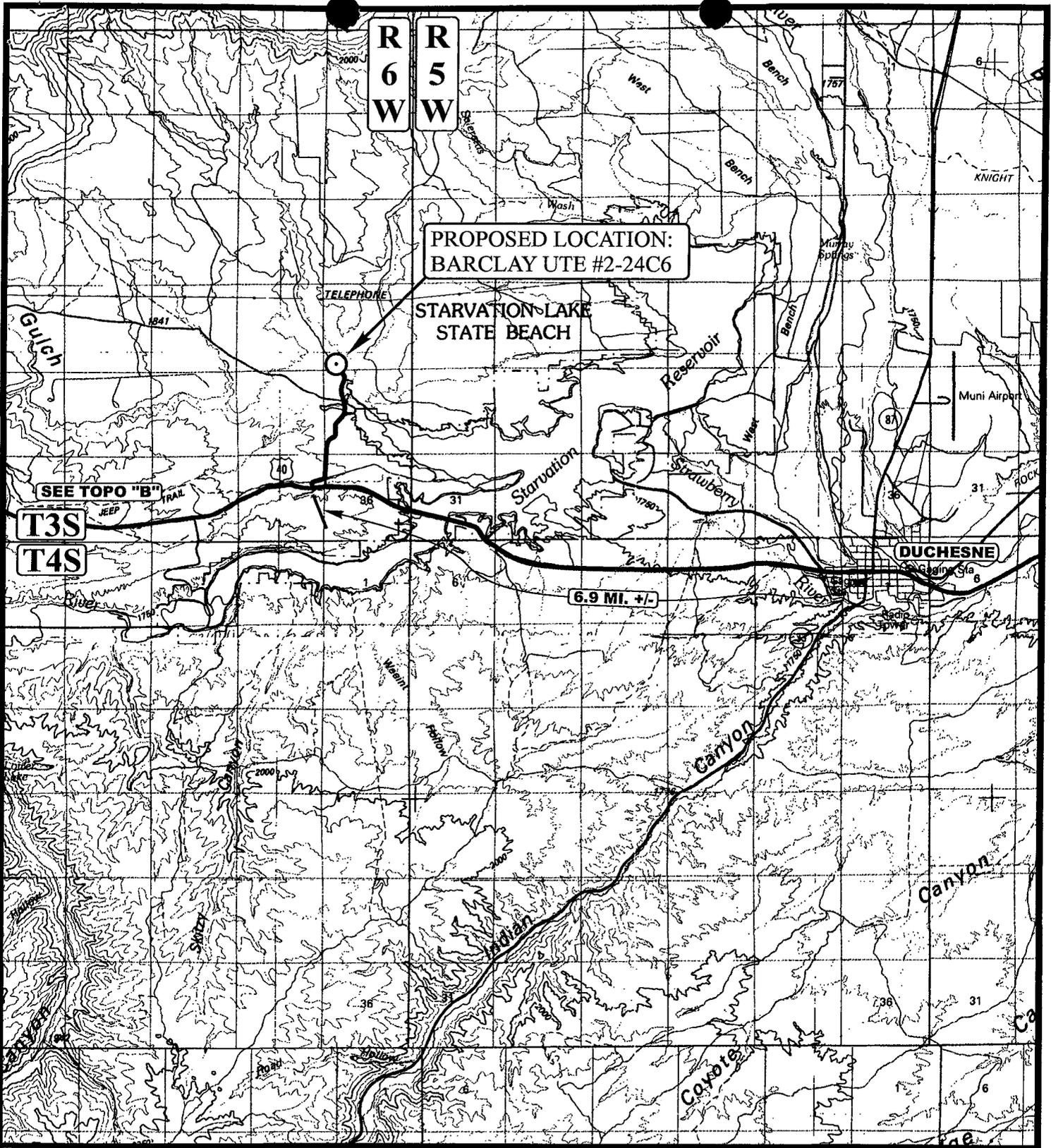
**FIGURE #2**

APPROXIMATE YARDAGES

CUT	
(12") Topsoil Stripping (New Construction Only)	= 1,810 Cu. Yds.
Remaining Location	= 11,800 Cu. Yds.
<b>TOTAL CUT</b>	<b>= 13,610 CU.YDS.</b>
<b>FILL</b>	<b>= 4,250 CU.YDS.</b>

NOTE:  
 Topsoil should not be  
 Stripped Below Finished  
 Grade on Substructure Area.

EXCESS MATERIAL	= 9,360 Cu. Yds.
Topsoil & Pit Backfill (1/2 Pit Vol.)	= 5,420 Cu. Yds.
EXCESS UNBALANCE (After Rehabilitation)	= 3,940 Cu. Yds.



**PROPOSED LOCATION:  
BARCLAY UTE #2-24C6**

**STARVATION LAKE  
STATE BEACH**

**DUCHESNE**

**6.9 MI. +/-**

**SEE TOPO "B"**

**T3S**

**T4S**

**R  
6  
W**

**R  
5  
W**

**LEGEND:**

⊙ PROPOSED LOCATION

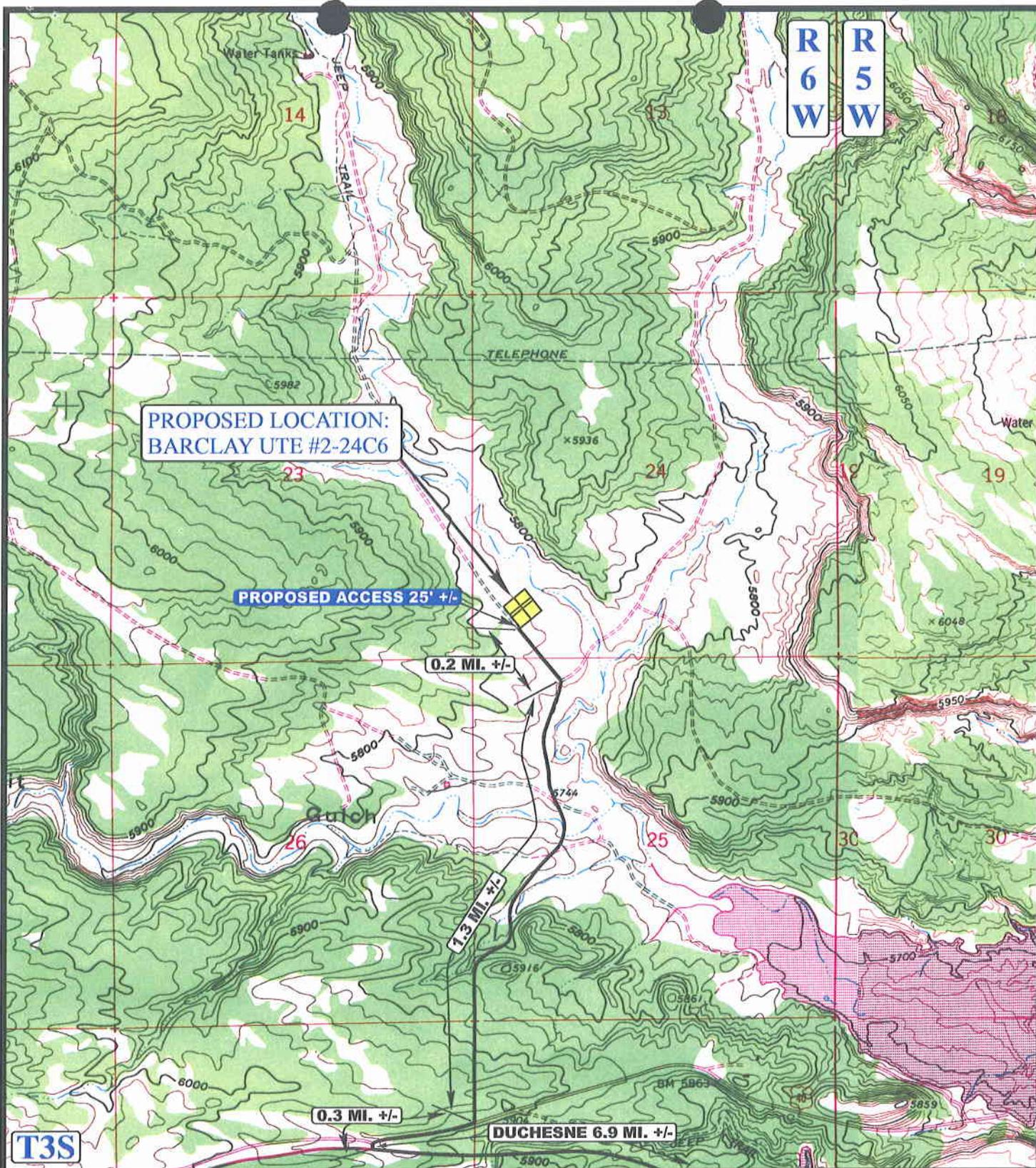


**EL PASO PRODUCTION OIL & GAS COMPANY**

**BARCLAY UTE #2-24C6  
SECTION 24, T3S, R6W, U.S.B.&M.  
725' FSL 737' FWL**

**UEIS** Uintah Engineering & Land Surveying  
85 South 200 East Vernal, Utah 84078  
(435) 789-1017 \* FAX (435) 789-1813

**TOPOGRAPHIC** **8 26 04**  
**MAP** MONTH DAY YEAR  
SCALE: 1:100,000 DRAWN BY: J.L.G. REVISED: 00-00-00 **A**  
TOPO



**LEGEND:**

- PROPOSED ACCESS ROAD
- EXISTING ROAD



**EL PASO PRODUCTION OIL & GAS COMPANY**

**BARCLAY UTE #2-24C6**  
**SECTION 24, T3S, R6W, U.S.B.&M.**  
**725' FSL 737' FWL**



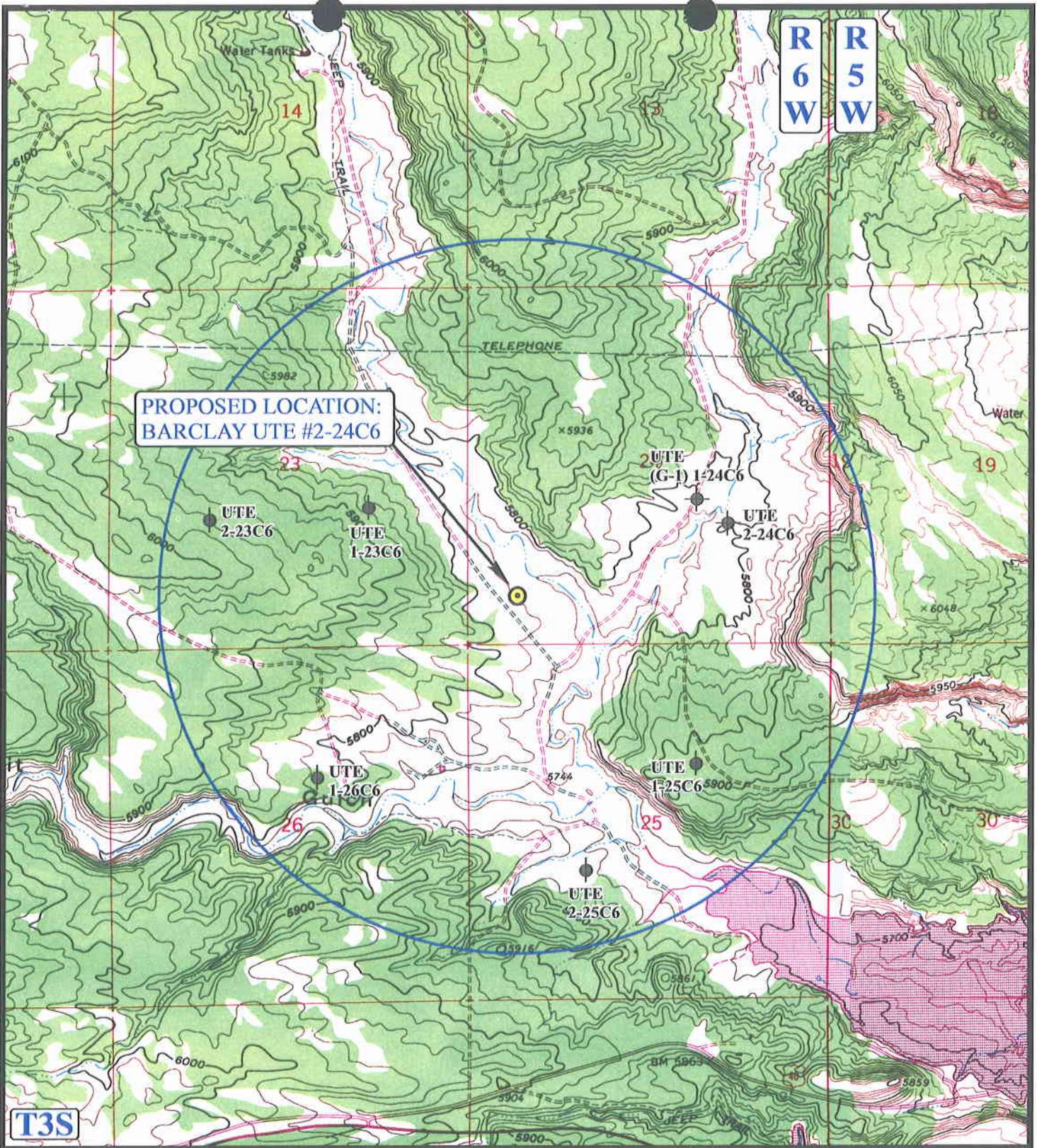
**Uintah Engineering & Land Surveying**  
 85 South 200 East Vernal, Utah 84078  
 (435) 789-1017 \* FAX (435) 789-1813

**TOPOGRAPHIC**  
**MAP**

**8 26 04**  
 MONTH DAY YEAR



SCALE: 1" = 2000' DRAWN BY: J.L.G. REVISED: 00-00-00



**PROPOSED LOCATION:  
BARCLAY UTE #2-24C6**

**R 6 W**  
**R 5 W**

**T3S**

**LEGEND:**

- |                   |                         |
|-------------------|-------------------------|
| ⊘ DISPOSAL WELLS  | ⊘ WATER WELLS           |
| ● PRODUCING WELLS | ⊘ ABANDONED WELLS       |
| ⊘ SHUT IN WELLS   | ● TEMPORARILY ABANDONED |



**EL PASO PRODUCTION OIL & GAS COMPANY**

**BARCLAY UTE #2-24C6**  
**SECTION 24, T3S, R6W, U.S.B.&M.**  
**725' FSL 737' FWL**

**U E I S**  
**Uintah Engineering & Land Surveying**  
85 South 200 East Vernal, Utah 84078  
(435) 789-1017 \* FAX (435) 789-1813

**TOPOGRAPHIC** **8 26 04**  
**MAP** **MONTH DAY YEAR**  
SCALE: 1" = 2000' DRAWN BY: J.L.G. REVISED: 00-00-00 **C**  
**TOPO**

# **EL PASO PRODUCTION OIL & GAS COMPANY**

**BARCLAY UTE #2-24C6  
SECTION 24, T3S, R6W, 6<sup>th</sup> P.M.**

**PROCEED IN A WESTERLY DIRECTION FROM DUCHESNE, UTAH ALONG U.S. HIGHWAY 40 APPROXIMATELY 6.9 MILES TO THE JUNCTION OF THIS ROAD AND AN EXISTING ROAD TO THE NORTH; TURN RIGHT AND PROCEED IN A NORTHERLY, THEN NORTHEASTERLY DIRECTION APPROXIMATELY 0.3 MILES TO THE JUNCTION OF THE ROAD AND AN EXISTING ROAD TO THE NORTH, TURN RIGHT AND PROCEED IN A NORTHERLY DIRECTION APPROXIMATELY 1.3 MILES TO THE JUNCTION OF THIS ROAD AND AN EXISTING ROAD TO THE NORTHWEST; TURN LEFT AND PROCEED IN A NORTHWESTERLY DIRECTION APPROXIMATELY 0.2 MILES TO THE BEGINNING OF THE PROPOSED ACCESS TO THE NORTH; FOLLOW ROAD FLAGS IN A NORTHERLY DIRECTION APPROXIMATELY 25' TO THE PROPOSED LOCATION.**

**TOTAL DISTANCE FROM DUCHESNE, UTAH TO THE PROPOSED WELL LOCATION IS APPROXIMATELY 8.6 MILES.**

# EL PASO PRODUCTION OIL & GAS COMPANY

## BARCLAY UTE #2-24C6

LOCATED IN DUCHESNE COUNTY, UTAH  
SECTION 24, T3S, 6W, U.S.B.&M.

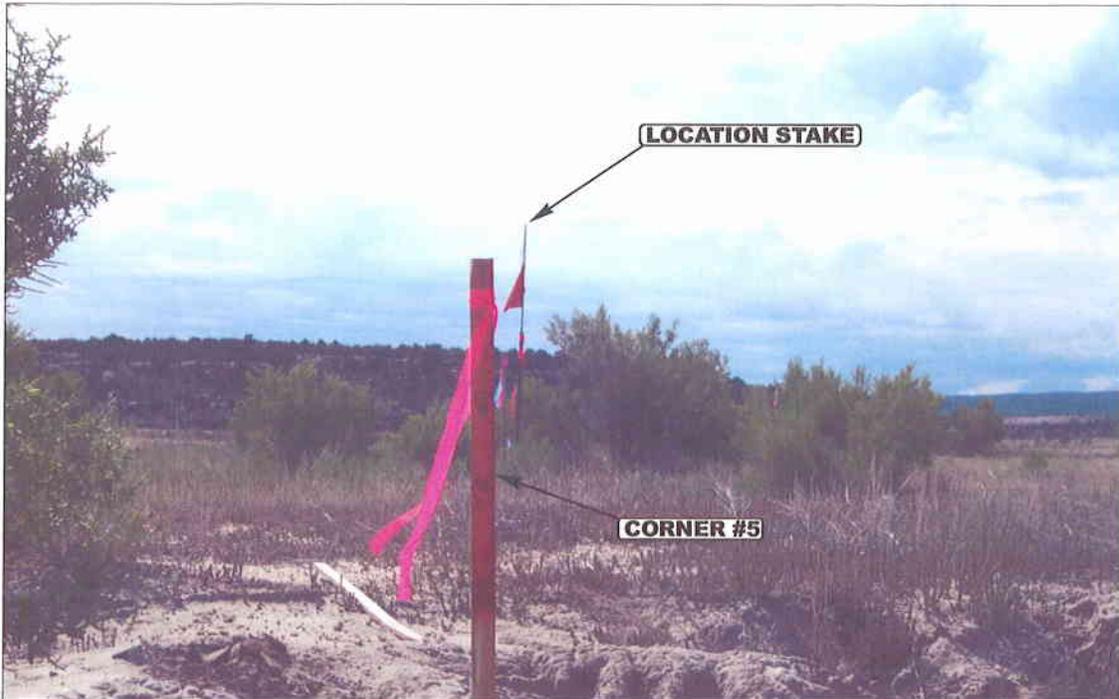


PHOTO: VIEW FROM CORNER #5 TO LOCATION STAKE

CAMERA ANGLE: SOUTHEASTERLY



PHOTO: VIEW FROM BEGINNING OF PROPOSED ACCESS

CAMERA ANGLE: NORTHWESTERLY



- Since 1964 -

**U** **E** **L** **S** **U**intah Engineering & Land Surveying  
85 South 200 East Vernal, Utah 84078  
435-789-1017 uels@uelsinc.com

LOCATION PHOTOS

8 26 04  
MONTH DAY YEAR

PHOTO

TAKEN BY: G.O. | DRAWN BY: J.L.G. | REVISED: 00-00-00

WORKSHEET  
APPLICATION FOR PERMIT TO DRILL

APD RECEIVED: 09/09/2004

API NO. ASSIGNED: 43-013-32671

WELL NAME: BARCLAY UTE 2-24C6  
OPERATOR: EL PASO PROD OIL & GAS ( N1845 )  
CONTACT: CHERYL CAMERON

PHONE NUMBER: 505-344-9380

PROPOSED LOCATION:

SWSW 24 030S 060W  
SURFACE: 0725 FSL 0737 FWL  
BOTTOM: 0725 FSL 0737 FWL  
DUCHESNE  
ALTAMONT ( 55 )

INSPECT LOCATN BY: / /		
Tech Review	Initials	Date
Engineering		
Geology		
Surface		

LEASE TYPE: 2 - Indian  
LEASE NUMBER: 14-20-H62-4866  
SURFACE OWNER: 4 - Fee  
PROPOSED FORMATION: WSTC  
COALBED METHANE WELL? NO

LATITUDE: 40.20017  
LONGITUDE: -110.5177

RECEIVED AND/OR REVIEWED:

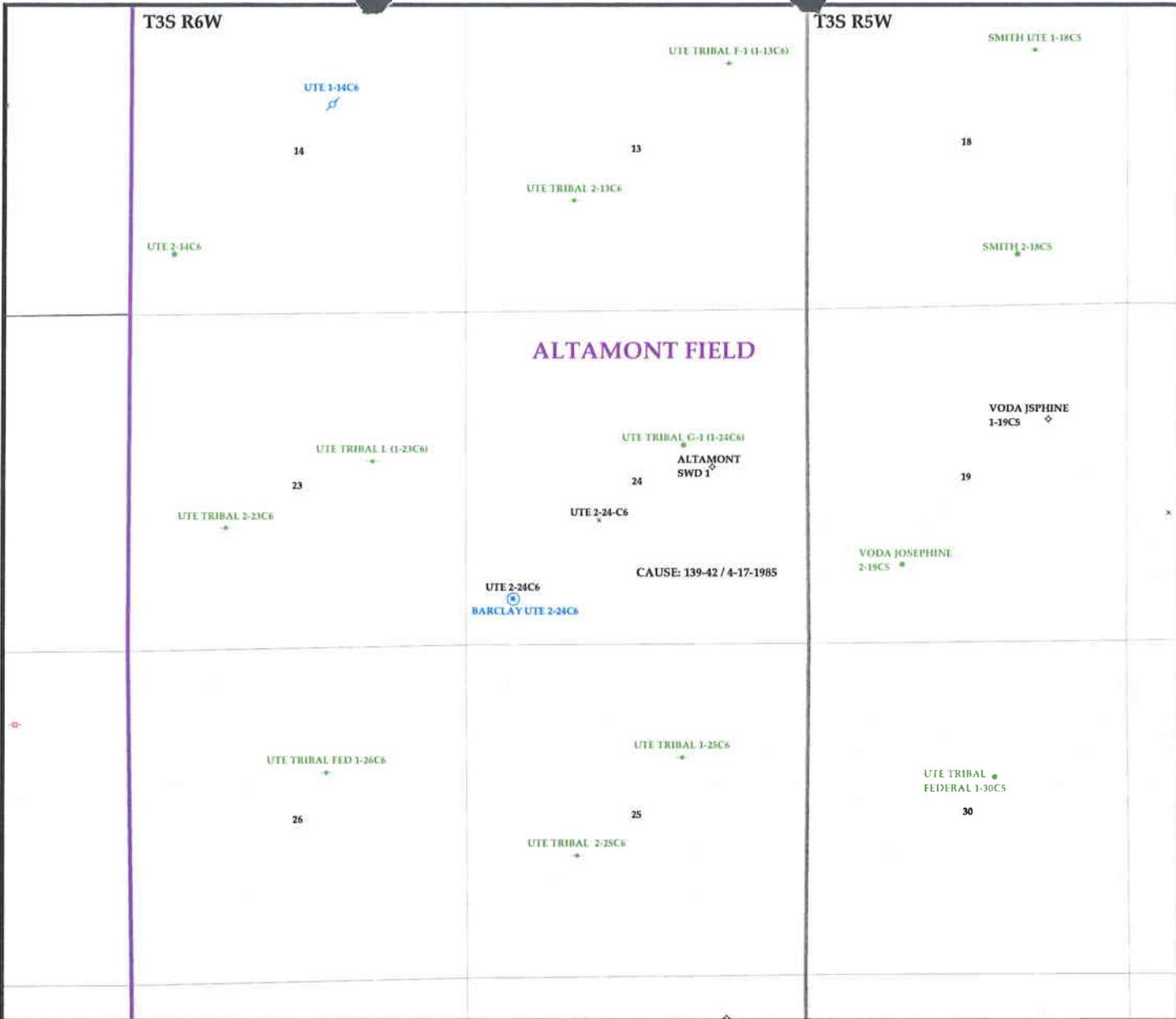
- Plat
- Bond: Fed[] Ind[2] Sta[] Fee[]  
(No. 103601473 )
- Potash (Y/N)
- Oil Shale 190-5 (B) or 190-3 or 190-13
- Water Permit  
(No. 43-8496 )
- RDCC Review (Y/N)  
(Date: \_\_\_\_\_ )
- Fee Surf Agreement (Y/N)

LOCATION AND SITING:

- R649-2-3.  
Unit \_\_\_\_\_
- R649-3-2. General  
Siting: 460' From Qtr/Qtr & 920' Between Wells
- R649-3-3. Exception
- Drilling Unit  
Board Cause No: 139-42  
Eff Date: 4-17-1985  
Siting: 660' fr u bdrly & 1320' fr other wells.
- R649-3-11. Directional Drill

COMMENTS: Needs Permit (11-08-04)

STIPULATIONS: 1- STATEMENT OF BASIS  
2- Fed Approval



**ALTAMONT FIELD**

CAUSE: 139-42 / 4-17-1985

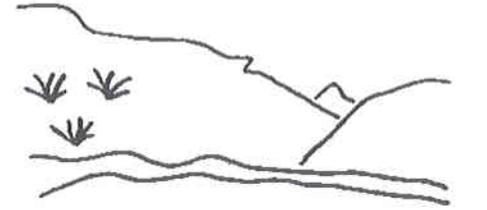
**OPERATOR: EL PASO PROD O&G CO (N1845)**

SEC. 24 T.3S R.6W

FIELD: ALTAMONT (55)

COUNTY: DUCHESNE

CAUSE: 139-42 / 4-17-1985



Utah Oil Gas and Mining

Wells	Units.shp	Fields.shp
GAS INJECTION	EXPLORATORY	ABANDONED
GAS STORAGE	GAS STORAGE	ACTIVE
LOCATION ABANDONED	NF PP OIL	COMBINED
NEW LOCATION	NF SECONDARY	INACTIVE
PLUGGED & ABANDONED	PENDING	PROPOSED
PRODUCING GAS	PI OIL	STORAGE
PRODUCING OIL	PP GAS	TERMINATED
SHUT-IN GAS	PP GEOTHERML	
SHUT-IN OIL	PP OIL	
TEMP. ABANDONED	SECONDARY	
TEST WELL	TERMINATED	
WATER INJECTION		
WATER SUPPLY		
WATER DISPOSAL		



PREPARED BY: DIANA WHITNEY  
DATE: 15-SEPTEMBER-2004

**ON-SITE PREDRILL EVALUATION**  
**Division of Oil, Gas and Mining**

OPERATOR: EL PASO PRODUCTION OIL AND GAS COMPANY  
WELL NAME & NUMBER: BARCLAY UTE 2-24C6  
API NUMBER: 43-013-32671  
LEASE: FEE/INDIAN FIELD/UNIT: Altamont  
LOCATION: 1/4,1/4 SW/SW Sec: 24 TWP: 03S RNG: 06W 725 FSL 737 FWL  
LEGAL WELL SITING: 660' from unit boundary and 1320' from another well.  
GPS COORD (UTM): X =0541005 E; Y =4449883 N SURFACE OWNER: David Barclay

**PARTICIPANTS**

Dennis L. Ingram (DOGM) Robert Wilkin & John Whiteside (El Paso);  
Andrew Palmer (UELS)

**REGIONAL/LOCAL SETTING & TOPOGRAPHY**

Location proposed approximately 6.9 +/- mile west of Duchesne, Utah and 1.5 miles north of U.S. Highway 40 in Rabbit Gulch area. Blacktail Ridge is found north of the Rabbit Gulch area, and many of the draws and drainage systems run from that ridge southeast toward Starvation Reservoir, which is located 2.5 +/- miles down the country. Topography in the area consists of narrow to broad ridges in pinyon/juniper that break off into sandstone outcroppings with broad or narrow dry, sandy washes. This particular well was staked just south of a dry stream bed on an old LA well pad that was not drilled by a previous operator, along the northern edge of an existing access road into other well sites.

**SURFACE USE PLAN**

CURRENT SURFACE USE: potential grazing, wildlife winter range, public recreational use

PROPOSED SURFACE DISTURBANCE: Operator has proposed 25' of new access road in from the south off an existing road, plus a location measuring 400'x 250' plus a temporary reserve pit and soil storage stockpile outside the described area.

LOCATION OF EXISTING WELLS WITHIN A 1 MILE RADIUS: UTE 2-23C6; UTE 1-23C6; G-1 1-24C6; UTE 2-24C6; UTE 1-26C6; UTE 1-25C6; AND UTE 2-25C6

LOCATION OF PRODUCTION FACILITIES AND PIPELINES: All production facilities will be located on the disturbed portion of the well pad; the gas sales line shall leave the location in a southeast direction for 400 feet and tie into existing lines.

SOURCE OF CONSTRUCTION MATERIAL: Native cut and fill using borrowed material

ANCILLARY FACILITIES: None requested or needed

WILL DRILLING AT THIS LOCATION GENERATE PUBLIC INTEREST OR CONCERNS?  
(EXPLAIN): NO

WASTE MANAGEMENT PLAN:

Submitted to the Division with Application to Drill

ENVIRONMENTAL PARAMETERS

AFFECTED FLOODPLAINS AND/OR WETLANDS: Adjacent sandy dry wash bed that drains toward and into Starvation Reservoir 2+ miles southeast of location.

FLORA/FAUNA: Rabbit brush, weeds, Greasewood, surface was previously disturbed; primary mule deer and elk winter range, mountain lion and bobcat habitat, rabbits and other smaller mammals along with birds native to region.

SOIL TYPE AND CHARACTERISTICS: Tan to light brown, fine grained sandy loam with some clay present.

SURFACE FORMATION & CHARACTERISTICS: Uinta Formation

EROSION/SEDIMENTATION/STABILITY: Active erosion, glacial cirques and valley train deposits, no stability problems anticipated.

PALEONTOLOGICAL POTENTIAL: None observed during onsite visit

RESERVE PIT

CHARACTERISTICS: (will use existing pit) Proposed on west side of location in cut and measuring 140'x 150'x 8' deep, with prevailing winds from the west.

LINER REQUIREMENTS (Site Ranking Form attached): 50 points

SURFACE RESTORATION/RECLAMATION PLAN

According to Landowner agreement or contour surface and seeded.

SURFACE AGREEMENT: Yes

CULTURAL RESOURCES/ARCHAEOLOGY: Arch waiver supplied to the Division

OTHER OBSERVATIONS/COMMENTS

Location was staked and constructed in early 90s, still has dry open reserve pit, operator plans on dressing up location and using the original pit, location is south, southwest of a broad dry wash, near it's mouth and in the same flood plain, ATV tracks indicate some recreational use in reserve pit, no surface water was present in nearby area,

ATTACHMENTS

Photos of this location were taken and placed on file.

**Evaluation Ranking Criteria and Ranking Score  
For Reserve and Onsite Pit Liner Requirements**

<u>Site-Specific Factors</u>	<u>Ranking</u>	<u>Site Ranking</u>
Distance to Groundwater (feet)		
>200	0	
100 to 200	5	
75 to 100	10	
25 to 75	15	
<25 or recharge area	20	<u>25</u>
Distance to Surf. Water (feet)		
>1000	0	
300 to 1000	2	
200 to 300	10	
100 to 200	15	
< 100	20	<u>0</u>
Distance to Nearest Municipal Well (feet)		
>5280	0	
1320 to 5280	5	
500 to 1320	10	
<500	20	<u>0</u>
Distance to Other Wells (feet)		
>1320	0	
300 to 1320	10	
<300	20	<u>0</u>
Native Soil Type		
Low permeability	0	
Mod. permeability	10	
High permeability	20	<u>20</u>
Fluid Type		
Air/mist	0	
Fresh Water	5	
TDS >5000 and <10000	10	
TDS >10000 or Oil Base Mud Fluid	15	
containing significant levels of hazardous constituents	20	<u>5</u>
Drill Cuttings		
Normal Rock	0	
Salt or detrimental	10	<u>0</u>
Annual Precipitation (inches)		
<10	0	
10 to 20	5	
>20	10	<u>0</u>
Affected Populations		
<10	0	
10 to 30	6	
30 to 50	8	
>50	10	<u>0</u>
Presence of Nearby Utility Conduits		
Not Present	0	
Unknown	10	
Present	15	<u>0</u>

**Final Score**      50      (Level I Sensitivity)

Sensitivity Level I = 20 or more; total containment is required, consider criteria for excluding pit use.

Sensitivity Level II = 15-19; lining is discretionary.

Sensitivity Level III = below 15; no specific lining is required.

BARCLAY UTE 2-24C6  
 SW/SW Sec. 24, T3S, R6W  
 DUCHESNE COUNTY, UT  
 LEASE NUMBER: 14-20-H62-4866

ONSHORE ORDER NO. 1  
 EL PASO PRODUCTION OIL & GAS COMPANY

*DRILLING PROGRAM*

1. **Estimated Tops of Important Geologic Markers:**

<u>Formation</u>	<u>Depth</u>
Green River	2,735'
Mahogany Bench	4,500'
L. Green River	5,700'
Wasatch	7,350'
TD	10,000'

2. **Estimated Depths of Anticipated Water, Oil, Gas, or Mineral Formations:**

<u>Substance</u>	<u>Formation</u>	<u>Depth</u>
	Green River	2,735'
	Mahogany Bench	4,500'
Oil	L. Green River	5,700'
Oil	Wasatch	7,350'

3. **Pressure Control Equipment:** (Schematic Attached)

The BOP stack will consist of one 11" 3,000 psi annular BOP 11" 3,000 psi double ram, and one 11' drilling spool. The lower ram will contain pipe rams, and the upper ram will contain blind rams.

The choke and kill lines and the choke manifold will have a 3,000 psi minimum pressure.

The BOPE and related equipment will meet the requirements of the 3M system.

mile radius of this proposal; those logs will be substituted. One copy of the drilling and one copy of the electric logs will be provided to the Meeker BLM Office.

4. **Proposed Casing & Cementing Program:**

Please refer to the attached Casing and Cementing Program.

5. **Drilling Fluids Program:**

Please refer to the attached Mud Program.

6. **Evaluation Program:**

Please refer to the attached Logging Program.

7. **Abnormal Conditions**

Maximum anticipated bottomhole pressure calculated @ 10,000' TD, approximately equals 4,940 psi (calculated at 0.494 psi/foot).

Maximum anticipated surface pressure equals approximately 2,740 psi (bottomhole pressure minus the pressure of a partially evacuated hole calculated at 0.22 psi/foot).

BARCLAY UTE 2-24C6  
SW/SW Sec. 24, T3S, R6W  
DUCHESNE COUNTY, UT  
LEASE NUMBER: 14-20-H62-4866

ONSHORE ORDER NO. 1

*MULTI-POINT SURFACE USE & OPERATIONS PLAN*

1. **Existing Roads:**

To reach the proposed location: Refer to the attached Location Directions.

Refer to Topo Maps A and B for location of access roads within a 2-mile radius.

All existing roads will be maintained and kept in good repair during all drilling and completion operations associated with this well.

2. **Planned Access Roads:**

Approximately 1.8 miles of existing access road is proposed, and 25' +/- of new access road is proposed. Refer to Topo Map B.

Surface disturbance and vehicular traffic will be limited to the approved location and approved access route. Any additional area needed will be approved in advance.

3. **Location of Existing Wells Within a 1-Mile Radius:**

Refer to Topo Map C.

4. **Location of Existing & Proposed Facilities:**

*The following guidelines will apply if the well is productive.*

All production facilities will be located on the disturbed portion of the well pad and at a minimum of 25 feet from the toe of the back slope or the top of the fill slope. *As determined by the onsite inspection.*

A dike will be constructed completely around those production facilities which contain fluids (i.e., production tanks, produced water tanks, and/or heater/treater). These dikes will be constructed of compacted subsoil, be impervious, hold 100% of the capacity of the largest tank, and be independent of the back cut. *As determined by the onsite inspection.*

All permanent (on-site six months or longer) above the ground structures constructed or installed, including pumping units, will be painted a flat, non-reflective, earth-tone color (Juniper Green) to match one of the standard environmental colors, *as determined by the acting AO during the onsite inspection.*

All facilities will be painted within six months of installation. Facilities required to comply with the Occupational Safety and Health Act (OSHA) will be excluded.

Any necessary pits will be properly fenced to protect livestock and prevent wildlife entry.

In the event that oil and gas production is established, the pipeline connection(s) and lateral(s) shall tie in to the existing pipeline. The proposed pipeline will leave the well pad in a Southeasterly direction for an approximate distance of 400'. Refer to Topo Map D.

All buried pipelines will be buried to a depth of 3 feet, except at road crossings where they will be buried to a depth of 4 feet.

Construction width of the right-of-way/pipeline route shall be restricted to 50 feet of disturbance.

5. **Location and Type of Water Supply:**

Water to be used for the drilling of the proposed well will be obtained from Dalbo Inc.'s underground well, located in Ouray, Utah, Sec. 32, T4S, R3E, Water User Claim #43-8496, Application #53617.

6. **Source of Construction Materials:**

Surface and subsoil materials in the immediate area will be utilized.

Any gravel will be obtained from a commercial source.

7. **Methods of Handling Waste Materials:**

Drill cuttings will be contained and buried in the reserve pit.

Drilling fluids, including salts and chemicals, will be contained in the reserve pit. Upon termination of drilling and completion operations, the liquid contents of the reserve pit will be removed and disposed of at an approved waste disposal facility within 120 days after drilling is terminated.

The reserve pit will be constructed on the location and will not be located within natural drainage, where a flood hazard exists or surface runoff will destroy or damage the pit walls. The reserve pit will be constructed so that it will not leak, break, or allow discharge of liquids.

A plastic reinforced liner shall be used. The liner will be a minimum of 12 mil thick, with sufficient bedding used to cover any rocks. The liner will overlap the pit walls and be covered with dirt and/or rocks to hold it in place. No trash or scrap that could puncture the liner will be disposed of in the pit. *As determined during the onsite inspection.*

Any spills of oil, gas, salt water, or other noxious fluids will be immediately cleaned up and removed to an approved disposal site.

A chemical porta-toilet will be furnished with the drilling rig.

Garbage, trash, and other waste materials will be collected in a portable, self-contained, fully enclosed trash cage during operations. No trash will be burned on location.

All debris and other waste material not contained in the trash cage will be cleaned up and removed from the location immediately after removal of the drilling rig.

Any open pits will be fenced during the operations. The fencing will be maintained until such time as the pits are backfilled.

No chemicals subject to reporting under SARA Title III (hazardous materials) in an amount greater than 10,000 pounds will be used, produced, stored, transported, or disposed of annually in association with the drilling of this well. Furthermore, no extremely hazardous substances, as defined in 40 CFR 355, in threshold planning quantities, will be used, produced, stored, transported, or disposed of in association with the drilling of this well.

Any produced water from the proposed well will be contained in a water tank and a line installed that will tie into the existing SWD line ( Ute 2-33C6, Sec. 33, T3S, R6W, and the Cedar Rim 15, Sec. 34, T3S, R6W). The produced water will then be disposed of at the Ute #1 Disposal, Sec. 15, T3S, R6W, via the SWD line. This request is in lieu of filing Form 3160-5, after initial production.

8. **Ancillary Facilities:**

None are anticipated.

9. **Well Site Layout:** (See Location Layout Diagram)

The attached Location Layout Diagram describes drill pad cross-sections, cuts and fills, and locations of the mud tanks, reserve pit, flare pit, pipe racks, trailer parking, spoil dirt stockpile(s), and surface material stockpile(s).

Please see the attached diagram to describe rig orientation, parking areas, and access roads.

The reserve pit will be lined, and when the reserve pit is closed, the pit liner will be buried below plow depth. *As determined during the onsite inspection.*

All pits will be fenced according to the following minimum standards:

39 inch net wire will be used with at least one strand of barbed wire on top of the net wire. Barbed wire is not necessary if pipe or some type of reinforcement rod is attached to the top of the entire fence.

The net wire shall be no more than two inches above the ground. The barbed wire shall be three inches over the net wire. Total height of the fence shall be at least 42 inches.

Corner posts shall be cemented and/or braced in such a manner to keep the fence tight at all times.

Corners shall be rounded as needed in order to control drainage.

Standard steel, wood, or pipe posts shall be used between the corner braces. Maximum distance between any 2 fence posts shall be no greater than 16 feet.

All wire shall be stretched, by using a stretching device before it is attached to corner posts.

The reserve pit fencing will be on three sides during drilling operations, and on the fourth side when the rig moves off location. Pits will be fenced and maintained until cleanup.

10. **Plans for Reclamation of the Surface:**

*Producing Location:*

Immediately upon well completion, the location and surrounding area will be cleared of all unused tubing, materials, trash, and debris not required for production.

Immediately upon well completion, any hydrocarbons in the pit shall be removed in accordance with R649-3-16.

A plastic, nylon reinforced liner with felt shall be used, it shall be torn and perforated before backfilling of the reserve pit.

Before any dirt work associated with location restoration takes place, the reserve pit shall be as dry as possible. All debris in it will be removed. Other waste and spoil materials will be disposed of immediately upon completion of operations.

The reserve pit and that portion of the location not needed for production facilities/operations will be recontoured to the approximate natural contours.

The reserve pit will be reclaimed within 90 days from the date of well completion, weather permitting.

To prevent surface water(s) from standing (ponding) on the reclaimed reserve pit area, final reclamation of the reserve pit will consist of "mounding" the surface three feet above surrounding ground surface to allow the reclaimed pit area to drain effectively.

The pit topsoil shall be piled as shown on the Location Layout diagram.

Upon completion of backfilling, leveling, and recontouring, the stockpiled topsoil will be spread evenly over the reclaimed area(s). *As determined during the onsite inspection.*

*Dry Hole/Abandoned Location:*

Abandoned well sites, roads, and other disturbed areas will be restored as near as practical to their original condition. Where applicable, these conditions include the re-establishment of irrigation systems, the re-establishment of appropriate soil conditions, and re-establishment of vegetation as specified.

All disturbed surfaces will be recontoured to the approximate natural contours, with reclamation of the well pad and access road to be performed as soon as practical after final abandonment. Reseeding operations will be performed after completion of other reclamation operations.

11. **Surface Ownership:**

The wellsite and lease is located entirely on Private Surface. Surface Owner Agreement shall be submitted, as soon as it becomes available.

David E. Barclay  
8414 Wesley Drive  
Flushing, MI 48433-1165  
(810) 659-1580

12. **Other Information:**

All lease and/or unit operations will be conducted in such a manner that full compliance is made with all applicable laws, regulations, the approved Plan of Operations, and any applicable Notice of Lessees. The Operator is fully responsible for the actions of his contractors. A copy of these conditions will be furnished to the field representative to ensure compliance.

The Operator will control noxious weeds along Rights-of-Way for roads, pipelines, well sites, or other applicable facilities.

The Cultural Resource Survey Report has been waived by the Surface Owner. A copy of this waiver shall be submitted, as soon as it becomes available.

13. **Lessee's or Operator's Representative & Certification:**

Cheryl Cameron  
Authorized Agent for  
El Paso Production O&G Co.  
1139 El Segundo NE  
Albuquerque, NM 87113  
(505) 344-9380

Scott Palmer  
Drilling Manager  
El Paso Production O&G Co.  
9 Greenway Plaza  
Houston, TX 77046  
(832) 676-3391

**Certification:** All lease and/or unit operations will be conducted in such a manner that full compliance is made with all applicable laws, regulations, Onshore Oil and Gas Orders, the approved Plan of Operations, and any applicable Notice to Lessees.

The Operator will be fully responsible for the actions of its subcontractors. A complete copy of the approved "Application for Permit to Drill" will be furnished to the field representative(s) to ensure compliance and shall be on location during all construction and drilling operations.

El Paso Production Oil & Gas Company is considered to be the operator of the subject well. El Paso Production Oil & Gas Company agrees to be responsible under the terms and conditions of the lease for the operations conducted upon leased lands.

Bond coverage pursuant to 43 CFR 3104 for the lease activities is being provided by BIA Bond Number 103601473, and State of Utah, Trust lands Administration 400JU0705.

I hereby certify that the proposed drill site and access route has been inspected, and I am familiar with the conditions that currently exist; that the statements made in this plan are, to the best of my knowledge, true and correct; and the work associated with the operations proposed herein will be performed by the Operator, its contractors, and subcontractors in conformity with this plan and the terms and conditions under which it is approved.

Name Cheryl Cameron  
Cheryl Cameron

Date September 7, 2004

Authorized Agent for El Paso Production O&G Company



**DRILLING PROGRAM**

**CASING PROGRAM**

	SIZE	INTERVAL	WT.	GR.	CPLG.	DESIGN FACTORS		
						BURST	COLLAPSE	TENSION
SURFACE	10-3/4"	0 - 1,000'	45.50	J-55	BTC	3,580	2,090	715,000
						6.38	4.47	4.91
INTERMEDIATE	7-5/8"	0 - 7,350'	29.70	N-80	LTC	8,850	4,790	575,000
						2.18	1.36	1.81
PRODUCTION LINER	5-1/2"	7,000' - 10,000'	17.00	P-110	ST-L (FJ)	10,540	7,480	308,000
						3.57	1.92	1.49

**CEMENT PROGRAM**

		FT. OF FILL	DESCRIPTION	SACKS	EXCESS	WEIGHT	YIELD
SURFACE	Lead	700	50/50 Poz + 0.25 lb/sk Flocele+ 10% Cal-Seal+8% Gel	350	75%	12.50	1.98
	Tail	300	Premium Plus V + 0.25 lb/sk Flocele+ 2% CaCl <sub>2</sub>	200	25%	15.60	1.2
INTERMEDIATE	Lead	500-5000	CBM Light + + 0.25 lb/sk Flocele + 10 pps Gilonite	300	25%	10.50	4.14
	Fill	4500					
	Tail	5000-7350	50/50 Poz +0.25 lb/sk Flocele	520	25%	14.20	1.25
	Fill	2350	+0.3% HALAD-322 + 0% Salt				
PRODUCTION LINER		7000-10000	Premium AG + .6% Haled-322+ 2% HR-5	170	10%	14.20	1.26
	Fill	2,650 OH	+ 0.2% CFR-3				
	Fill	100 Lap					

**FLOAT EQUIPMENT & CENTRALIZERS**

SURFACE	Float shoe, 1 joint, float collar. Centralize 5' above shoe & 5 centralizers every third collar. Thread lock FE & bottom joint.
INTERMEDIATE	Float shoe, 1 joint, float collar. Centralize every 5th joint to 4500'. Thread lock all FE
PRODUCTION	Float shoe, 1 joint, float collar. Centralize as per Production Department. Thread lock all FE

**PROJECT ENGINEER:** Buddy Novak

**DRILLING MANAGER:** Scott Palmer



State of Utah

Department of  
Natural Resources

ROBERT L. MORGAN  
*Executive Director*

Division of  
Oil, Gas & Mining

LOWELL P. BRAXTON  
*Division Director*

OLENE S. WALKER  
*Governor*

GAYLE F. McKEACHNIE  
*Lieutenant Governor*

November 16, 2004

El Paso Production Oil & Gas Company  
1339 El Segundo NE  
Albuquerque, NM 87113

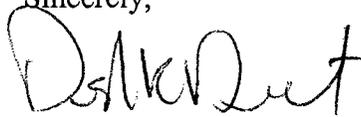
Re: Barclay Ute 2-24C6 Well, 725' FSL, 737' FWL, SW SW, Sec. 24, T. 3 South,  
R. 6 West, Duchesne County, Utah

Gentlemen:

Pursuant to the provisions and requirements of Utah Code Ann. § 40-6-1 *et seq.*, Utah Administrative Code R649-3-1 *et seq.*, and the attached Conditions of Approval, approval to drill the referenced well is granted.

This approval shall expire one year from the above date unless substantial and continuous operation is underway, or a request for extension is made prior to the expiration date. The API identification number assigned to this well is 43-013-32671.

Sincerely,

  
(for) John R. Baza  
Associate Director

pab  
Enclosures

cc: Duchesne County Assessor  
Bureau of Land Management, Vernal District Office

**Operator:** El Paso Production Oil & Gas Company  
**Well Name & Number** Barclay Ute 2-24C6  
**API Number:** 43-013-32671  
**Lease:** 14-20-H62-4866

**Location:** SW SW                      **Sec.** 24                      **T.** 3 South                      **R.** 6 West

### Conditions of Approval

1. General

Compliance with the requirements of Utah Admin. R. 649-1 *et seq.*, the Oil and Gas Conservation General Rules, and the applicable terms and provisions of the approved Application for permit to drill.

2. Notification Requirements

Notify the Division within 24 hours of spudding the well.

- Contact Carol Daniels at (801) 538-5284.

Notify the Division prior to commencing operations to plug and abandon the well.

- Contact Dan Jarvis at (801) 538-5338

3. Reporting Requirements

All required reports, forms and submittals will be promptly filed with the Division, including but not limited to the Entity Action Form (Form 6), Report of Water Encountered During Drilling (Form 7), Weekly Progress Reports for drilling and completion operations, and Sundry Notices and Reports on Wells requesting approval of change of plans or other operational actions.

4. State approval of this well does not supersede the required federal approval, which must be obtained prior to drilling.

5. Compliance with the Conditions of Approval/Application for Permit to Drill outlined in the Statement of Basis. (Copy Attached)

**DIVISION OF OIL, GAS AND MINING  
APPLICATION FOR PERMIT TO DRILL  
STATEMENT OF BASIS**

**OPERATOR:** El Paso Production Oil & Gas Company  
**WELL NAME & NUMBER:** BARCLAY UTE 2-24C6  
**API NUMBER:** 43-013-32671  
**LOCATION:** 1/4,1/4 SW/SW Sec: 24 TWP: 3S RNG: 6 W 725 FSL 737 FWL

**Geology/Ground Water:**

The proposed well is located on mineral rights owned by the Ute Indian Tribe. The BLM will be the agency responsible for evaluating and approving the casing, cementing, and drilling programs.

**Reviewer:** Brad Hill **Date:** 11/16/2004

**Surface:**

The Division Staff scheduled and preformed a presite evaluation of the surface area to take input and address issue regarding the drilling of this well. David Barclay was shown as the landowner of record. A long distance telephone call was made to David Barclay (810) 659-1580 on October 27, 2004 inviting him to participate in the presite meeting. He explained he would not attend because of the time and distance a trip west would take. Mr. Barclay did state he'd rather not have a well on his property. He supposedly owns 80 acres in that area and explained his desire to have the land put back to original condition upon the completion of the project, and/or when the well is plugged.

As previously stated, this location is an old Medallion LA where the BLM and TRIBE permitted a well and rescinded the Application to Drill. Medallion had done the dirt work but did not spud the well. There are several washouts on the location, most of them around and in the pit from ten or more years of erosion. The surface area is relatively flat and slopes south, southeast into other drainage systems that dump into Starvation Reservoir approximately 2.5 miles down the country. A deep wash runs adjacent to the location and shows the erosive potential storm runoff has on these dry, sandy streambeds. A synthetic liner shall be required to prevent migration of drilling fluids into a potential recharge system for the reservoir. No other construction or surface issues were noted.

**Reviewer:** Dennis L. Ingram **Date:** November 9, 2004

**Conditions of Approval/Application for Permit to Drill:**

1. A synthetic liner with a minimum thickness of 12 mils shall be properly installed and maintained in the reserve pit.

Dennis L. Ingram  
DOGM REPRESENTATIVE

November 8, 2004 11:00 AM  
DATE/TIME

October 22, 2004

Express Mail

David E. Barclay  
8414 Wesley Dr.  
Flushing, MI 48433-1165

Re: Waiver of Archeological Survey  
El Paso Production Oil & Gas Company  
Barclay 2-24C6 Oil and Gas Well  
T3S-R6W Sec. 24: SW/4

Dear Mr. Barclay;

As an Agent & Independent Landman for El Paso Production Oil & Gas Company, "El Paso". I've been authorized to request from you a "Waiver of Archeological Survey" whereby you hereby waive and release El Paso from doing an Archeological Survey upon the referenced lands that El Paso is going to conduct surface operations on.

**NOW THEREFORE,  
I, THE UNDERSIGNED SURFACE OWNER, AGREE AND ACCEPTED THAT  
NO ARCHEOLOGICAL SURVEY IS REQUIRED BY ME, THE UNDERSIGNED  
SURFACE OWNER, FOR THE REFERENCED WELL ON THE REFERENCED  
LANDS, AND HEREBY WAIVE AND RELEASE EL PASO PRODUCTION OIL  
& GAS COMPANY FROM CONDUCTING ANY ARCHEOLOGICAL SURVEY  
OF THE REFERENCED LANDS.**

AGREED TO THIS 29 DAY OF October, 2004, BY AND  
BETWEEN:

  
\_\_\_\_\_  
David E. Barclay

  
\_\_\_\_\_  
John Whiteside  
Independent Landman for  
El Paso Production Oil & Gas Company



ACKNOWLEDGEMENT

STATE OF MICHIGAN }

COUNTY OF GENESEE }

}:SS

BEFORE me, the undersigned, a Notary Public in and fore said County and State, on this 29TH day of OCTOBER, 2004, personally appeared **David E. Barclay**, to me known to be the identical person(s) who executed the within and foregoing instrument, and acknowledged to me that they executed the same as a free and voluntary act and deed, for the uses and purposes therein set forth.

Given under my hand and seal the day and year last above written.

Lynn Dalton Chiotti  
Notary Public

My Commission Expires: 5-13-08

LYNN DALTON CHIOTTI  
Notary Public, Genesee County, MI  
My Commission Expires May 13, 2008

SEP 16 2004

Form 3160-3  
(April 2004)

FORM APPROVED  
OMB No. 1004-0137  
Expires March 31, 2007

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT

006

APPLICATION FOR PERMIT TO DRILL OR REENTER

1a. Type of work: <input checked="" type="checkbox"/> DRILL <input type="checkbox"/> REENTER		5. Lease Serial No. 14-20-H62-4866
1b. Type of Well: <input checked="" type="checkbox"/> Oil Well <input type="checkbox"/> Gas Well <input type="checkbox"/> Other <input checked="" type="checkbox"/> Single Zone <input type="checkbox"/> Multiple Zone		6. If Indian, Allottee or Tribe Name UTE TRIBE
2. Name of Operator EL PASO PRODUCTION OIL & GAS COMPANY		7. If Unit or CA Agreement, Name and No.
3a. Address 1339 EL SEGUNDO NE ALBUQUERQUE, NM 87113		8. Lease Name and Well No. BARCLAY UTE 2-24C6
3b. Phone No. (include area code) 505.344.9380		9. API Well No. 43:013:32671
4. Location of Well (Report location clearly and in accordance with any State requirements. *) At surface At proposed prod. zone 725' FSL, 737' FWL SWSW		10. Field and Pool, or Exploratory ALTAMONT
14. Distance in miles and direction from nearest town or post office* 6.9 MILES NW OF DUCHESNE, UT		11. Sec., T. R. M. or Blk. and Survey or Area SEC. 24, T3S, R6W
15. Distance from proposed* location to nearest property or lease line, ft. (Also to nearest drng. unit line, if any) 725'	16. No. of acres in lease 640	17. Spacing Unit dedicated to this well 640
18. Distance from proposed location* to nearest well, drilling, completed, applied for, on this lease, ft. 3500'	19. Proposed Depth 10,000'	20. BLM/BIA Bond No. on file BIA 103601473 TRUST LANDS 400JU0705
21. Elevations (Show whether DF, KDB, RT, GL, etc.) 5775.5' GR	22. Approximate date work will start* 10/30/2004	23. Estimated duration 10 DAYS

24. Attachments

The following, completed in accordance with the requirements of Onshore Oil and Gas Order No.1, shall be attached to this form:

- |   |  |
|---|--|
| 1. Well plat certified by a registered surveyor.  | 4. Bond to cover the operations unless covered by an existing bond on file (see Item 20 above).    |
| 2. A Drilling Plan.   | 5. Operator certification  |
| 3. A Surface Use Plan (if the location is on National Forest System Lands, the SUPO shall be filed with the appropriate Forest Service Office). | 6. Such other site specific information and/or plans as may be required by the authorized officer. |

25. Signature <i>Cheryl Cameron</i>	Name (Printed/Typed) CHERYL CAMERON	Date 09/07/2004
--	--	--------------------

Title AUTHORIZED REGULATORY AGENT FOR EL PASO PRODUCTION OIL & GAS COMPANY

Approved by (Signature) <i>Thomas B. Cleary</i>	Name (Printed/Typed)	Date 11/26/2004
--	----------------------	--------------------

Title Assistant Field Manager  
Mineral Resources

Application approval does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon.

Conditions of approval, if any, are attached.

Title 18 U.S.C. Section 1001 and Title 43 U.S.C. Section 1212, make it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

\*(Instructions on page 2)

RECEIVED  
DEC 20 2004  
DIV. OF OIL, GAS & MINING

UNO 8/17  
NOTICE OF APPROVAL

045M 11754

CONDITIONS OF APPROVAL ATTACHED

CONDITIONS OF APPROVAL  
APPLICATION FOR PERMIT TO DRILL

Company/Operator: El Paso Production Oil and Gas Co.  
Well Name & Number: Barclay Ute 2-24C6  
Lease Number: 1420-H62-4866  
API Number: 43-013-32671  
Location: SWSW Sec. 24 T.3S R. 6E  
Agreement: N/A

For more specific details on notification requirements, please check the Conditions of Approval for Notice to Drill and Surface Use Program.

**CONDITIONS OF APPROVAL**

Approval of this application does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon.

Be aware fire restrictions may be in effect when location is being constructed and/or when well is being drilled. Contact the appropriate Surface Management Agency for information.

A. DRILLING PROGRAM

1. Estimated Depth at Which Oil, Gas, Water, or Other Mineral Bearing Zones are Expected to be Encountered

Report ALL water shows and water-bearing sands to John Mayers of this office prior to setting the next casing string or requesting plugging orders. Faxed copies of State of Utah form OGC-8-X are acceptable.

2. Pressure Control Equipment

The BOP and related equipment shall meet the minimum requirements of Onshore Oil and Gas Order No. 2 for equipment and testing requirements, procedures, etc., for a **3M** system and individual components shall be operable as designed. Chart recorders shall be used for all pressure tests.

Test charts, with individual test results identified, shall be maintained on location while drilling and shall be made available to a BLM representative upon request.

If an air compressor is on location and is being utilized to provide air for the drilling medium while drilling, the special drilling requirements in Onshore Oil and Gas Order No. 2, regarding air or gas drilling shall be adhered to.

3. Casing Program and Auxiliary Equipment

As a minimum requirement, the cement behind the production casing must extend at least 200' above the top of the surface casing shoe.

Surface casing shall have centralizers on the bottom three joints, with a minimum of one centralizer per joint. Surface casing setting depths are based on ground level elevations only.

All casing strings below the conductor shall be pressure tested to 0.22 psi/ft of casing string length or 1500 psi, whichever is greater but not to exceed 70% of the minimum internal yield.

4. Mud Program and Circulating Medium

Hazardous substances specifically listed by the EPA as a hazardous waste or demonstrating a characteristic of a hazardous waste will not be used in drilling, testing, or completion operations.

5. Coring, Logging and Testing Program

Cement Bond Logs will be required from TD to the surface casing shoe.

Daily drilling and completion progress reports shall be submitted to this office on a weekly basis.

**Please submit to this office, in LAS format, an electronic copy of all logs run on this well  
This submission will replace the requirement for submittal of paper logs to the BLM.**

Whether the well is completed as a dry hole or as a producer, "Well Completion and Recompletion Report and Log" (Form 3160-4) will be submitted not later than 30 days after completion of the well or after completion of operations being performed, in accordance with 43 CFR 3164. Samples (cuttings, fluids, and/or gases) will be submitted when requested by the AO.

6. Notifications of Operations

No location will be constructed or moved, no well will be plugged, and no drilling or workover equipment will be removed from a well to be placed in a suspended status without prior approval

of the AO. If operations are to be suspended, prior approval of the AO will be obtained and notification given before resumption of operations.

Operator shall report production data to MMS pursuant to 30 CFR 216.5 using form MMS/3160.

Immediate Report: Spills, blowouts, fires, leaks, accidents, or any other unusual occurrences shall be promptly reported in accordance with the requirements of NTL-3A or its revision.

If a replacement rig is contemplated for completion operations, a "Sundry Notice" (Form 3160-5) to that effect will be filed, for prior approval of the AO, and all conditions of this approved plan are applicable during all operations conducted with the replacement rig.

The date on which production is commenced or resumed will be construed for oil wells as the date on which liquid hydrocarbons are first sold or shipped from a temporary storage facility, such as a test tank, and for which a run ticket is required to be generated or, the date on which liquid hydrocarbons are first produced into a permanent storage facility, whichever first occurs; and, for gas wells as the date on which associated liquid hydrocarbons are first sold or shipped from a temporary storage facility, such as a test tank, and for which a run ticket is required to be generated or, the date on which gas is first measured through permanent metering facilities, whichever first occurs.

Should the well be successfully completed for production, the AO will be notified when the well is placed in a producing status. Written notification of such must be submitted to this office not later than five (5) days following the date on which the well is placed on production.

Gas produced from this well may not be vented or flared beyond an initial authorized test period of 30 days or 50 MMCF following its completion, whichever occurs first, without the prior written approval of the Authorized Officer. Should gas be vented or flared without approval beyond the authorized test period, the operator may be directed to shut-in the well until the gas can be captured or approval to continue venting or flaring as uneconomic is granted and the operator shall be required to compensate the lessor for that portion of the gas vented or flared without approval which is determined to have been avoidably lost.

A schematic facilities diagram as required by 43 CFR 3162.7-5(d) shall be submitted to the appropriate Field Office within 60 days of installation or first production, whichever occurs first.

All site security regulations as specified in Onshore Oil & Gas Order No. 3 shall be adhered to. All product lines entering and leaving hydrocarbon storage tanks will be effectively sealed in accordance with 43 CFR 3162.7-5 (1).

No well abandonment operations will be commenced without the prior approval of the AO. In the case of newly drilled dry holes or failures, and in emergencies, oral approval will be obtained from the AO. A "Subsequent Report of Abandonment" Form 3160-5, will be filed with the AO within thirty (30) days following completion of the well for abandonment. This report will

indicate where plugs were placed and the current status of surface restoration. Final abandonment will not be approved until the surface reclamation work required by the approved APD or approved abandonment notice has been completed to the satisfaction of the AO or his representative, or the appropriate Surface Managing Agency.

7. Other Information

All loading lines will be placed inside the berm surrounding the tank battery.

All off-lease storage, off-lease measurement, or commingling onlease or off-lease will have prior written approval from the AO.

The oil and gas measurement facilities will be installed on the well location. The oil and gas meters will be calibrated in place prior to any deliveries and tested for meter accuracy at least quarterly thereafter. The AO will be provided with a date and time for the initial meter calibration and all future meter proving schedules. A copy of the meter calibration reports will be submitted to the Vernal District Office. All meter measurement facilities will conform with Onshore Oil & Gas Order No. 4 for liquid hydrocarbons and Onshore Oil & Gas Order No. 5 for natural gas measurement.

The use of materials under BLM jurisdiction will conform to 43 CFR 3610.2-3.

There will be no deviation from the proposed drilling and/or workover program without prior approval from the AO. Safe drilling and operating practices must be observed. All wells, whether drilling, producing, suspended, or abandoned will be identified in accordance with 43 CFR 3162.

"Sundry Notice and Report on Wells" (Form 3160-5) will be filed for approval for all changes of plans and other operations in accordance with 43 CFR 3162.3-2.

Section 102(b)(3) of the Federal Oil and Gas Royalty Management Act of 1982, as implemented by the applicable provisions of the operating regulations at Title 43 CFR 3162.4-1(c), requires that "not later than the 5th business day after any well begins production on which royalty is due anywhere on a lease site or allocated to a lease site, or resumes production in the case of a well which has been off production for more than 90 days, the operator shall notify the authorized officer by letter or sundry notice, Form 3160-5, or orally to be followed by a letter or sundry notice, of the date on which such production has begun or resumed."

If you fail to comply with this requirement in the manner and time allowed, you shall be liable for a civil penalty of up to \$10,000 per violation for each day such violation continues, not to exceed a maximum of 20 days. See Section 109(c)(3) of the Federal Oil and Gas Royalty Management Act of 1982 and the implementing regulations at Title 43 CFR 3162.4-1(b)(5)(ii).

APD approval is valid for a period of one (1) year from the signature date. An extension period may be granted, if requested, prior to the expiration of the original approval period.

In the event after-hours approvals are necessary, you must contact one of the following individuals:

Ed Forsman (435) 828-7874  
Petroleum Engineer

Kirk Fleetwood (435) 828-7875  
Petroleum Engineer

BLM FAX Machine (435) 781-4410

**SURFACE USE PROGRAM  
CONDITIONS OF APPROVAL (COAs)**

El Paso employees, representatives, and/or authorized personnel (subcontractors) shall not carry firearms on their person or in their vehicles while working on the Uintah and Ouray Indian Reservation.

El Paso employees and/or authorized personnel (subcontractors) in the field will have approved applicable APD authorizations on their person(s)/on location during all phases of construction.

A corridor ROW, about 100 feet long, shall be used for the new access road and the layout diagram shows an area of operations 400 by 400 feet for the pad, pits and soil stockpiles. These ROWs are provided for in the Landowner agreement. Operations shall be according to the landowner agreement with David E. Barclay.

Production waters, oil, and other byproducts shall not be placed on access roads or the well pad.

El Paso will control noxious weeds on the well site and ROWs. El Paso will be responsible for noxious weed control if weeds spread from the project area onto adjoining land.

In a previous BIA concurrence letter of April 26, 1993, BIA recommended a closed production system with a properly constructed berm around the production tanks. The well is near a large wash and approximately one mile upstream of Starvation Reservoir. This berm should be capable of holding a spill of size equivalent to the volume of the largest tank on location.

## EPA'S LIST OF NONEXEMPT EXPLORATION AND PRODUCTION WASTES

While the following wastes are nonexempt, they are not necessarily hazardous.

Unused fracturing fluids or acids

Gas plant cooling tower cleaning wastes

Painting wastes

Oil and gas service company wastes, such as empty drums, drum rinsate, vacuum truck rinsate, sandblast media, painting wastes, spent solvents, spilled chemicals, and waste acids

Vacuum truck and drum rinsate from trucks and drums, transporting or containing nonexempt waste

Refinery wastes

Liquid and solid wastes generated by crude oil and tank bottom reclaimers

Used equipment lubrication oils

Waste compressor oil, filters, and blowdown

Used hydraulic fluids

Waste solvents

Waste in transportation pipeline-related pits

Caustic or acid cleaners

Boiler cleaning wastes

Boiler refractory bricks

Incinerator ash

Laboratory wastes

Sanitary wastes

Pesticide wastes

Radioactive tracer wastes

Drums, insulation and miscellaneous solids.

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT

FORM APPROVED  
OMB No. 1004-0137  
Expires: March 31, 2007

**SUNDRY NOTICES AND REPORTS ON WELLS**

*Do not use this form for proposals to drill or to re-enter an abandoned well. Use Form 3160-3 (APD) for such proposals.*

007

**SUBMIT IN TRIPLICATE- Other instructions on reverse side.**

1. Type of Well  
 Oil Well     Gas Well     Other

2. Name of Operator **EL PASO PRODUCTION OIL & GAS COMPANY**

3a. Address  
**1339 EL SEGUNDO NE, ALBUQUERQUE, NM 87113**

3b. Phone No. (include area code)  
**505.344.9380**

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)  
**725' FSL, 737' FWL  
 SWSW SEC. 24, T3S, R6W**

5. Lease Serial No.  
**14-20-H62-4866**

6. If Indian, Allottee or Tribe Name  
**UTE TRIBE**

7. If Unit or CA/Agreement, Name and/or No.

8. Well Name and No.  
**BARCLAY UTE 2-24C6**

9. API Well No.  
**43-013-32671**

10. Field and Pool, or Exploratory Area  
**ALTAMONT**

11. County or Parish, State  
**DUCHESNE, UT**

**12. CHECK APPROPRIATE BOX(ES) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA**

TYPE OF SUBMISSION	TYPE OF ACTION				
<input checked="" type="checkbox"/> Notice of Intent	<input type="checkbox"/> Acidize	<input type="checkbox"/> Deepen	<input type="checkbox"/> Production (Start/Resume)	<input type="checkbox"/> Water Shut-Off	
<input type="checkbox"/> Subsequent Report	<input type="checkbox"/> Alter Casing	<input type="checkbox"/> Fracture Treat	<input type="checkbox"/> Reclamation	<input type="checkbox"/> Well Integrity	
<input type="checkbox"/> Final Abandonment Notice	<input type="checkbox"/> Casing Repair	<input type="checkbox"/> New Construction	<input type="checkbox"/> Recomplete	<input checked="" type="checkbox"/> Other <b>CHANGE TO ORIGINAL APD</b>	
	<input type="checkbox"/> Change Plans	<input type="checkbox"/> Plug and Abandon	<input type="checkbox"/> Temporarily Abandon		
	<input type="checkbox"/> Convert to Injection	<input type="checkbox"/> Plug Back	<input type="checkbox"/> Water Disposal		

13. Describe Proposed or Completed Operation (clearly state all pertinent details, including estimated starting date of any proposed work and approximate duration thereof. If the proposal is to deepen directionally or recompletes horizontally, give subsurface locations and measured and true vertical depths of all pertinent markers and zones. Attach the Bond under which the work will be performed or provide the Bond No. on file with BLM/BIA. Required subsequent reports shall be filed within 30 days following completion of the involved operations. If the operation results in a multiple completion or recompletion in a new interval, a Form 3160-4 shall be filed once testing has been completed. Final Abandonment Notices shall be filed only after all requirements, including reclamation, have been completed, and the operator has determined that the site is ready for final inspection.)

**OPERATOR REQUESTS APPROVAL TO AMEND THE DRILLING PROGNOSIS FOR HOLE/CASING SIZE CHANGE, FROM THE DRILLING PROGNOSIS APPROVED IN THE ORIGINAL APD.**

**PLEASE SEE THE ATTACHED AMENDED DRILLING PROGNOSIS.**

Accepted by the  
Utah Division of  
Oil, Gas and Mining  
FOR RECORD ONLY

RECEIVED  
JAN 12 2005  
DIV. OF OIL, GAS & MINING

14. I hereby certify that the foregoing is true and correct  
 Name (Printed/Typed)

**CHERYL CAMERON**

Title **REGULATORY ANALYST**

Signature

*Cheryl Cameron*

Date

**01/10/2005**

**THIS SPACE FOR FEDERAL OR STATE OFFICE USE**

Approved by \_\_\_\_\_

Title

Date

Conditions of approval, if any, are attached. Approval of this notice does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon.

Office

Title 18 U.S.C. Section 1001 and Title 43 U.S.C. Section 1212, make it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

(Instructions on page 2)



**DRILLING PROGRAM**

**CASING PROGRAM**

	SIZE	INTERVAL	WT.	GR.	CPLG.	DESIGN FACTORS		
						BURST	COLLAPSE	TENSION
SURFACE	9-5/8"	0 - 3,000'	40.00	J-55	LTC	3,950	2,570	520,000
						2.35	1.83	2.36
INTERMEDIATE	7"	0 - 8,000'	29.00	P-110	LTC	11,220	8,530	797,000
						3.28	2.23	2.40
PRODUCTION LINER	5"	7,700' - 10,000'	18.00	P-110	ST-L (FJ)	13,940	13,470	341,000
						4.30	3.17	3.97

**CEMENT PROGRAM**

		FT. OF FILL	DESCRIPTION	SACKS	EXCESS	WEIGHT	YIELD
SURFACE	Lead	2,700	50/50 Poz + 0.25 lb/sk Flocele+ 10% Cal-Seal+8% Gel	750	75%	12.50	1.98
	Tail	300	Premium Plus V + 0.25 lb/sk Flocele+ 2% CaCl <sub>2</sub>	120	25%	15.60	1.2
INTERMEDIATE	Lead	4000-5500	CRM Light + + 0.25 lb/sk Flocele + 10 pps Citronite	70	25%	10.50	4.14
	Fill	1,500					
	Tail	5500-8000	50/50 Poz + 0.25 lb/sk Flocele	390	25%	14.20	1.25
	Fill	2,500	+ 0.3% HALAD-322 + 5% Salt				
PRODUCTION LINER		7700-10000	Premium AG + .6% Halad-322+ 2% HR-5	140	10%	14.20	1.26
	Fill	2,000 OH	+ 0.2% CFR-3				
	Fill	100 Lap					

**FLOAT EQUIPMENT & CENTRALIZERS**

SURFACE	Float shoe, 1 joint, float collar Centralize 5' above shoe & 5 centralizers every third collar. Thread lock FE & bottom joint.
INTERMEDIATE	Float shoe, 1 joint, float collar Centralize every 4th joint to 4500'. Thread lock all FE
PRODUCTION	Float shoe, 1 joint, float collar Centralize as per Production Department. Thread lock all FE

**PROJECT ENGINEER:** Buddy Novak

**DRILLING MANAGER:** Scott Palmer

Form 3160-5  
(April 2004)

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT

**SUNDRY NOTICES AND REPORTS ON WELLS**  
*Do not use this form for proposals to drill or to re-enter an abandoned well. Use Form 3160-3 (APD) for such proposals.*

FORM APPROVED  
OMB No. 1004-0137  
Expires: March 31, 2007

**SUBMIT IN TRIPLICATE- Other instructions on reverse side.**

1. Type of Well  Oil Well  Gas Well  Other

2. Name of Operator **EL PASO PRODUCTION OIL AND GAS COMPANY**

3a. Address **1339 EL SEGUNDO NE ALBUQUERQUE NM 87113** 3b. Phone No. (include area code) **505.344.9380**

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)  
**725' FSL, 737' FWL  
SWSW SEC. 24, T3S, R6W**

5. Lease Serial No. **14-20-1162-4866**

6. If Indian, Allottee or Tribe Name  
**U&O**

7. If Unit or CA/Agreement, Name and/or No.

8. Well Name and No.  
**BARCLAY UTE 2-24C6**

9. API Well No.  
**4301332671**

10. Field and Pool, or Exploratory Area  
**ALTAMONT**

11. County or Parish, State  
**DUCHESNE, UT**

12. CHECK APPROPRIATE BOX(ES) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION	TYPE OF ACTION			
<input checked="" type="checkbox"/> Notice of Intent	<input type="checkbox"/> Acidize	<input type="checkbox"/> Deepen	<input type="checkbox"/> Production (Start/Resume)	<input type="checkbox"/> Water Shut-Off
<input type="checkbox"/> Subsequent Report	<input type="checkbox"/> Alter Casing	<input type="checkbox"/> Fracture Treat	<input type="checkbox"/> Reclamation	<input type="checkbox"/> Well Integrity
<input type="checkbox"/> Final Abandonment Notice	<input type="checkbox"/> Casing Repair	<input type="checkbox"/> New Construction	<input type="checkbox"/> Recomplete	<input checked="" type="checkbox"/> Other <b>APD</b>
	<input type="checkbox"/> Change Plans	<input type="checkbox"/> Plug and Abandon	<input type="checkbox"/> Temporarily Abandon	<b>EXTENSION</b>
	<input type="checkbox"/> Convert to Injection	<input type="checkbox"/> Plug Back	<input type="checkbox"/> Water Disposal	

13. Describe Proposed or Completed Operation (clearly state all pertinent details, including estimated starting date of any proposed work and approximate duration thereof. If the proposal is to deepen directionally or recomplete horizontally, give subsurface locations and measured and true vertical depths of all pertinent markers and zones. Attach the Bond under which the work will be performed or provide the Bond No. on file with BLM/BIA. Required subsequent reports shall be filed within 30 days following completion of the involved operations. If the operation results in a multiple completion or recompletion in a new interval, a Form 3160-4 shall be filed once testing has been completed. Final Abandonment Notices shall be filed only after all requirements, including reclamation, have been completed, and the operator has determined that the site is ready for final inspection.)

**OPERATOR REQUESTS THAT THE APD FOR THE SUBJECT WELL BE EXTENDED FOR AN ADDITIONAL YEAR.**

Approved by the  
Utah Division of  
Oil, Gas and Mining

Date: 12-12-05  
By: [Signature]

COPY SENT TO OPERATOR  
Date: 12-13-05  
Initials: CHD

14. I hereby certify that the foregoing is true and correct  
Name (Printed/Typed) **CHERYL CAMERON** Title **REGULATORY ANALYST**

Signature [Signature] Date **11/25/2005**

**THIS SPACE FOR FEDERAL OR STATE OFFICE USE**

Approved by _____	Title _____	Date _____
Conditions of approval, if any, are attached. Approval of this notice does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon.		
Office _____		

Title 18 U.S.C. Section 1001 and Title 43 U.S.C. Section 1212, make it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

(Instructions on page 2)

RESET

**Application for Permit to Drill  
Request for Permit Extension  
Validation**

(this form should accompany the Sundry Notice requesting permit extension)

API: 4301332061  
Well Name:  
Location:  
Company Permit Issued to:  
Date Original Permit Issued:

The undersigned as owner with legal rights to drill on the property as permitted above, hereby verifies that the information as submitted in the previously approved application to drill, remains valid and does not require revision.

Following is a checklist of some items related to the application, which should be verified.

If located on private land, has the ownership changed, if so, has the surface agreement been updated? Yes  No

Have any wells been drilled in the vicinity of the proposed well which would affect the spacing or siting requirements for this location? Yes  No

Has there been any unit or other agreements put in place that could affect the permitting or operation of this proposed well? Yes  No

Have there been any changes to the access route including ownership, or right-of-way, which could affect the proposed location? Yes  No

Has the approved source of water for drilling changed? Yes  No

Have there been any physical changes to the surface location or access route which will require a change in plans from what was discussed at the onsite evaluation? Yes  No

Is bonding still in place, which covers this proposed well? Yes  No

Sheryl Cameron  
Signature

11/25/2005  
Date

Title: REGULATORY ANALYST

Representing: EL PASO PRODUCTION O&G COMPANY

CONFIDENTIAL

Form 3160-3  
(April 2004)

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT  
APPLICATION FOR PERMIT TO DRILL OR REENTER

FORM APPROVED  
OMB No. 1004-0137  
Expires March 31, 2007

1a. Type of work: <input checked="" type="checkbox"/> DRILL <input type="checkbox"/> REENTER		5. Lease Serial No. 14-20-H62-4866
1b. Type of Well: <input checked="" type="checkbox"/> Oil Well <input type="checkbox"/> Gas Well <input type="checkbox"/> Other <input checked="" type="checkbox"/> Single Zone <input type="checkbox"/> Multiple Zone		6. If Indian, Allottee or Tribe Name UINTAH & OURAY
2. Name of Operator EL PASO PRODUCTION OIL AND GAS COMPANY		7. If Unit or CA Agreement, Name and No.
3a. Address 1339 EL SEGUNDO AVE NE ALBUQUERQUE, NM 87113	3b. Phone No. (include area code) 505.344.9380	8. Lease Name and Well No. BARCLAY UTE 2-24C6
4. Location of Well (Report location clearly and in accordance with any State requirements.) At surface 725' FSL, 737' FWL SWSW At proposed prod. zone		9. API Well No. 43-013-32671
14. Distance in miles and direction from nearest town or post office* 6.9 MILES NW OF DUCHESNE, UT		10. Field and Pool, or Exploratory ALTAMONT
15. Distance from proposed* location to nearest property or lease line, ft. (Also to nearest drig. unit line, if any) 725'	16. No. of acres in lease 640	11. Sec., T. R. M. or Blk. and Survey or Area SEC 24, T3S, R6E 6W
18. Distance from proposed location* to nearest well, drilling completed, applied for, on this lease, ft. 3500'	19. Proposed Depth 10,000'	12. County or Parish DUCHESNE
21. Elevations (Show whether DF, KDB, RT, GL, etc.) 5775.5' GR	22. Approximate date work will start* 03/01/2006	13. State UT
17. Spacing Unit dedicated to this well 640		
20. BLM/BIA Bond No. on file BIA 103601473 TRUST LANDS 400JU0705		
23. Estimated duration 52 DAYS		
24. Attachments		

The following, completed in accordance with the requirements of Onshore Oil and Gas Order No.1, shall be attached to this form:

- Well plat certified by a registered surveyor.
- A Drilling Plan.
- A Surface Use Plan (if the location is on National Forest System Lands, the SUPO shall be filed with the appropriate Forest Service Office).
- Bond to cover the operations unless covered by an existing bond on file (see item 20 above).
- Operator certification
- Such other site specific information and/or plans as may be required by the authorized officer.

25. Signature <i>Cheryl Cameron</i>	Name (Printed/Typed) CHERYL CAMERON	Date 12/21/2005
--	--	--------------------

Title AUTHORIZED REGULATORY AGENT FOR EL PASO PRODUCTION OIL & GAS COMPANY

Approved by (Signature) <i>Howard R. Leavitt</i>	Name (Printed/Typed)	Date 12/30/2005
---	----------------------	--------------------

Title Assistant Field Manager  
Mineral Resources

Application approval does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon.  
Conditions of approval, if any, are attached.

Title 18 U.S.C. Section 1001 and Title 43 U.S.C. Section 1212, make it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

\*(Instructions on page 2)

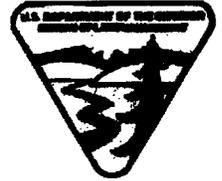
NOTICE OF APPROVAL

RECEIVED  
JAN 05 2006  
DIV. OF OIL, GAS & MINING



UNITED STATES DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT  
VERNAL FIELD OFFICE

170 South 500 East VERNAL, UT 84078 (435) 781-4400



**CONDITIONS OF APPROVAL FOR APPLICATION FOR PERMIT TO  
DRILL**

Company: **El Paso Prod. O&G Co.**  
Well No: **Barclay Ute 2-24C6**  
API No: **43-013-32671**

Location: **SWSW, Sec 24, T3S, R6W**  
Lease No: **14-20-H62-4866**  
Agreement: **N/A**

Petroleum Engineer:	Matt Baker	Office: 435-781-4490	Cell: 435-828-4470
Petroleum Engineer:	Michael Lee	Office: 435-781-4432	Cell: 435-828-7875
Supervisory Petroleum Technician:	Jamie Sparger	Office: 435-781-4502	Cell: 435-828-3913
Environmental Scientist:	Paul Buhler	Office: 435-781-4475	Cell: 435-828-4029
Environmental Scientist:	Karl Wright	Office: 435-781-4484	
Natural Resource Specialist:	Holly Villa	Office: 435-781-4404	
Natural Resource Specialist:	Melissa Hawk	Office: 435-781-4476	
After Hours Contact Number:	<b>435-781-4513</b>	Fax: 435-781-4410	

**A COPY OF THESE CONDITIONS SHALL BE FURNISHED TO YOUR  
FIELD REPRESENTATIVE TO INSURE COMPLIANCE**

All lease and/or unit operations are to be conducted in such a manner that full compliance is made with the applicable laws, regulations (43 CFR Part 3160), and this approved Application for Permit to Drill including Surface and Downhole Conditions of Approval. The operator is considered fully responsible for the actions of his subcontractors. A copy of the approved APD must be on location during construction, drilling, and completion operations.

**NOTIFICATION REQUIREMENTS**

- |   |   |  |
|---|---|--|
| Location Construction<br>(Notify Melissa Hawk)          | - | Forty-Eight (48) hours prior to construction of location and access roads.   |
| Location Completion<br>(Notify Melissa Hawk)            | - | Prior to moving on the drilling rig.   |
| Spud Notice<br>(Notify Petroleum Engineer)              | - | Twenty-Four (24) hours prior to spudding the well.   |
| Casing String & Cementing<br>(Notify Jamie Sparger)     | - | Twenty-Four (24) hours prior to running casing and cementing all casing strings.   |
| BOP & Related Equipment Tests<br>(Notify Jamie Sparger) | - | Twenty-Four (24) hours prior to initiating pressure tests.   |
| First Production Notice<br>(Notify Petroleum Engineer)  | - | Within Five (5) business days after new well begins or production resumes after well has been off production for more than ninety (90) days. |

***SURFACE USE PROGRAM  
CONDITIONS OF APPROVAL (COAs)***

El Paso employees, representatives, and/or authorized personnel (subcontractors) shall not carry firearms on their person or in their vehicles while working on the Uintah & Ouray Indian Reservation.

El Paso employees and/or authorized personnel (subcontractors) in the field will have approved applicable APD authorizations on their person(s)/on location during all phases of construction.

A corridor ROW, about 100 feet long, shall be used for the new access road and the layout diagram shows an area of operations 400 by 400 feet for the pad, pits and soil stockpiles. These ROWs are provided for the Landowner agreement. Operations shall be according to the landowner agreement with David E. Barclay.

Production waters, oil and other byproducts shall not be placed on access roads or the well pad.

El Paso will control noxious weeds on the well site and ROWs. El Paso will be responsible for noxious weed control if weeds spread from the project area onto adjoining land.

In a previous BIA concurrence letter of April 26, 1993, BIA recommended a closed production system with a properly constructed berm around the production tanks. The well is near a large wash and approximately one mile upstream of Starvation Reservoir. This berm shall be capable of holding a spill of size equivalent to the volume of the largest tank on location.

### ***DOWNHOLE CONDITIONS OF APPROVAL***

All provisions outlined in Onshore Oil & Gas Order #2 Drilling Operations shall be strictly adhered to. The following items are emphasized:

#### **SITE SPECIFIC DOWNHOLE CONDITIONS OF APPROVAL**

1. Top of cement for the 7" casing shall be at a minimum of 2800'.
2. A Cement Bond Log shall be run from the production liner shoe to the surface casing shoe.

#### **DRILLING/COMPLETION/PRODUCING OPERATING STANDARDS**

1. There shall be no deviation from the proposed drilling, completion, and/or workover program as approved. Safe drilling and operating practices must be observed. All wells, whether drilling, producing, suspended, or abandoned, shall be identified in accordance with 43 CFR 3162.6. There shall be a sign or marker with the name of the operator, lease serial number, well number, and surveyed description of the well. Any changes in operation must have prior approval from the BLM, Vernal Field Office Petroleum Engineers.
2. The spud date and time shall be reported orally to Vernal Field Office within 24 hours of spudding.
3. **Notify Vernal Field Office Supervisory Petroleum Engineering Technician at least 24 hours in advance of casing cementing operations and BOPE & casing pressure tests.**
4. Blowout prevention equipment (BOPE) will remain in use until the well is completed or abandoned. Closing unit controls must remain unobstructed and readily accessible at all times. Choke manifolds must be located outside of the rig substructure.

All BOPE components will be inspected daily and those inspections shall be recorded in the daily drilling report. Components shall be operated and tested as required by Onshore Oil & Gas Order No. 2 to insure good mechanical working order. All BOPE pressure tests must be performed by a test pump with a chart recorder and **NOT** by the rig pumps. Test must be reported in the driller's log.

BOP drills must be initially conducted by each drilling crew within 24 hours of drilling out from under the surface casing and weekly thereafter as specified in Onshore Oil & Gas Order No. 2.

Casing pressure tests are required before drilling out from under all casing strings set and cemented in place.

No aggressive/fresh hard-banded drill pipe shall be used within casing.

5. All shows of fresh water and minerals will be reported and protected. A sample will be taken of any water flows and a water analysis furnished the BLM, Vernal Field Office.

All oil and gas shows will be adequately tested for commercial possibilities, reported, and protected.

6. No location will be constructed or moved, no well will be plugged, and no drilling or workover equipment will be removed from a well to be placed in a suspended status without prior approval of the BLM, Vernal Field Office. If operations are to be suspended for more than 30 days, prior approval of the BLM, Vernal Field Office must be obtained and notification given before resumption of operations.
7. Chronologic drilling progress reports must be filed directly with the BLM, Vernal Field Office on a weekly basis in sundry, letter format or e-mail to the Petroleum Engineers until the well is completed.

Any change in the program must be approved by the BLM, Vernal Field Office. "Sundry Notices and Reports on Wells" (Form BLM 3160-5) must be filed for all changes of plans and other operations in accordance with 43 CFR 3162.3-2.

Emergency approval may be obtained orally, but such approval does not waive the written report requirement. Any additional construction, reconstruction, or alterations of facilities, including roads, gathering lines, batteries, etc., which will result in the disturbance of new ground, will require the filing of a suitable plan pursuant to Onshore Oil & Gas Order No. 1 of 43 CFR 3164.1 and prior approval by the BLM, Vernal Field Office.

In accordance with 43 CFR 3162.4-3, this well must be reported on the "Monthly Report of Operations" (Oil and Gas Operations Report ((OGOR)) starting with the month in which operations commence and continue each month until the well is physically plugged and abandoned. This report shall be filed in duplicate, directly with the Minerals Management Service, P.O. Box 17110, Denver, Colorado 80217-0110, or call 1-800-525-7922 (303) 231-3650 for reporting information.

8. Whether the well is completed as a dry hole or as a producer, "Well Completion and Recompletion Report and Log" (BLM Form 3160-4) will be submitted not later than 30 days after completion of the well or after completion of operations being performed, in accordance with 43 CFR 3162.4-1. Two copies of all logs run, core descriptions, and all other surveys or data obtained and compiled during the drilling, workover, and/or completion operations, will be filed on BLM Form 3160-4. Submit with the well completion report a geologic report including, at a minimum, formation tops, and a summary and conclusions. Also include deviation surveys, sample descriptions, strip logs, core data, drill stem test data, and results of production tests if performed. Samples (cuttings, fluid, and/or gas) will be submitted only when requested by the BLM, Vernal Field Office.

**Please submit an electronic copy of all logs run on this well in LAS format to [UT\\_VN\\_Welllogs@BLM.gov](mailto:UT_VN_Welllogs@BLM.gov). This submission will supersede the requirement for submittal of paper logs to the BLM. The cement bond log must be submitted in raster format (TIF, PDF other).**

9. All off-lease storage, off-lease measurement, or commingling on-lease or off-lease will have prior written approval from the BLM, Vernal Field Office.

All measurement points shall be identified as point of sales or allocation for royalty determination prior to the installation of facilities.

10. Oil and gas meters will be calibrated in place prior to any deliveries. The Field Office Petroleum Engineers will be provided with a date and time for the initial meter calibration and all future meter proving schedules. A copy of the meter calibration reports will be submitted to the BLM, Vernal Field Office. All measurement facilities will conform to the API standards for liquid hydrocarbons and the AGA standards for natural gas measurement.
11. A schematic facilities diagram as required by Onshore Oil & Gas Order No. 3 shall be submitted to the BLM, Vernal Field Office within 30 days of installation or first production, whichever occurs first. All site security regulations as specified in Onshore Oil & Gas Order No. 3 shall be adhered to. All product lines entering and leaving hydrocarbon storage tanks will be effectively sealed in accordance with Onshore Oil & Gas Order No. 3.
12. This APD is approved subject to the requirement that, should the well be successfully completed for production, the BLM, Vernal Field office must be notified when it is placed in a producing status. Such notification will be by written communication and must be received in this office by not later than the fifth business day following the date on which the well is placed on production. The notification shall provide, as a minimum, the following informational items:
- a. Operator name, address, and telephone number.
  - b. Well name and number.
  - c. Well location (¼¼, Sec., Twn, Rng, and P.M.).
  - d. Date well was placed in a producing status (date of first production for which royalty will be paid).
  - e. The nature of the well's production, (i.e., crude oil, or crude oil and casing head gas, or natural gas and entrained liquid hydrocarbons).
  - f. The Federal or Indian lease prefix and number on which the well is located; otherwise the non-Federal or non-Indian land category, i.e., State or private.
  - g. Unit agreement and / or participating area name and number, if applicable.
  - h. Communitization agreement number, if applicable.

13. Any venting or flaring of gas will be done in accordance with Notice to Lessees (NTL) 4A and needs prior approval from Field Office Petroleum Engineers.
14. All undesirable events (fires, accidents, blowouts, spills, discharges) as specified in NTL 3A will be reported to the BLM, Vernal Field Office. Major events as defined in NTL3A, will be reported verbally within 24 hours, followed by a written report within 15 days. "Other than Major Events" will be reported in writing within 15 days. "Minor Events" will be reported on the Monthly Report of Operations and Production
15. Pursuant to Onshore Oil & Gas Order No. 7, this is authorization for pit disposal of water produced from this well for a period of 90 days from the date of initial production. A permanent disposal method must be approved by this office and in operation prior to the end of this 90-day period. In order to meet this deadline, an application for the proposed permanent disposal method shall be submitted along with any necessary water analyses, as soon as possible, but no later than 45 days after the date of first production. Any method of disposal which has not been approved prior to the end of the authorized 90-day period will be considered as an Incident of Noncompliance and will be grounds for issuing a shut-in order until an acceptable manner for disposing of said water is provided and approved by this office.
16. Unless the plugging is to take place immediately upon receipt of oral approval, the Field Office Petroleum Engineers must be notified at least 24 hours in advance of the plugging of the well, in order that a representative may witness plugging operations. If a well is suspended or abandoned, all pits must be fenced immediately until they are backfilled. The "Subsequent Report of Abandonment" (Form BLM 3160-5) must be submitted within 30 days after the actual plugging of the well bore, showing location of plugs, amount of cement in each, and amount of casing left in hole, and the current status of the surface restoration.

Division of Oil, Gas and Mining  
**OPERATOR CHANGE WORKSHEET**

<b>ROUTING</b>	
1. DJJ	
2. CDW	

Change of Operator (Well Sold)

**X Operator Name Change**

The operator of the well(s) listed below has changed, effective: <u>7/1/2006</u>	
<b>FROM: (Old Operator):</b> N1845-El Paso Production O&G Company 1001 Louisiana Street Houston, TX 77002 Phone: 1 (713) 420-2300	<b>TO: ( New Operator):</b> N3065-El Paso E&P Company, LP 1001 Louisiana Street Houston, TX 77002 Phone: 1 (713) 420-2131
<b>CA No.</b>	<b>Unit:</b>

**OPERATOR CHANGES DOCUMENTATION**

Enter date after each listed item is completed

- (R649-8-10) Sundry or legal documentation was received from the **FORMER** operator on: 7/5/2006
- (R649-8-10) Sundry or legal documentation was received from the **NEW** operator on: 7/5/2006
- The new company was checked on the **Department of Commerce, Division of Corporations Database** on: 3/30/2006
- Is the new operator registered in the State of Utah: YES Business Number: 2114377-0181
- If **NO**, the operator was contacted on: \_\_\_\_\_
- (R649-9-2) Waste Management Plan has been received on: \_\_\_\_\_ requested 7/18/06
- Inspections of LA PA state/fee well sites complete on: ok
- Reports current for Production/Disposition & Sundries on: \_\_\_\_\_
- Federal and Indian Lease Wells:** The BLM and or the BIA has approved the merger, name change, or operator change for all wells listed on Federal or Indian leases on: BLM not yet BIA not yet
- Federal and Indian Units:**  
The BLM or BIA has approved the successor of unit operator for wells listed on: not yet
- Federal and Indian Communization Agreements ("CA"):**  
The BLM or BIA has approved the operator for all wells listed within a CA on: n/a
- Underground Injection Control ("UIC")** The Division has approved UIC Form 5, **Transfer of Authority to Inject**, for the enhanced/secondary recovery unit/project for the water disposal well(s) listed on: 7/14/2006

**DATA ENTRY:**

- Changes entered in the **Oil and Gas Database** on: 7/19/2006
- Changes have been entered on the **Monthly Operator Change Spread Sheet** on: 7/19/2006
- Bond information entered in RBDMS on: 7/19/2006
- Fee/State wells attached to bond in RBDMS on: 7/19/2006
- Injection Projects to new operator in RBDMS on: 7/19/2006
- Receipt of Acceptance of Drilling Procedures for APD/New on: 7/5/2006

**BOND VERIFICATION:**

- Federal well(s) covered by Bond Number: 103601420
- Indian well(s) covered by Bond Number: 103601473
- (R649-3-1) The **NEW** operator of any fee well(s) listed covered by Bond Number 400JU0708
- The **FORMER** operator has requested a release of liability from their bond on: n/a applicable wells moved  
The Division sent response by letter on: n/a

**LEASE INTEREST OWNER NOTIFICATION:**

- (R649-2-10) The **FORMER** operator of the fee wells has been contacted and informed by a letter from the Division of their responsibility to notify all interest owners of this change on: 7/20/2006

**COMMENTS:**

**STATE OF UTAH**  
DEPARTMENT OF NATURAL RESOURCES  
DIVISION OF OIL, GAS AND MINING

FORM 9

**SUNDRY NOTICES AND REPORTS ON WELLS**

Do not use this form for proposals to drill new wells, significantly deepen existing wells below current bottom-hole depth, reenter plugged wells, or to drill horizontal laterals. Use APPLICATION FOR PERMIT TO DRILL form for such proposals.

		5. LEASE DESIGNATION AND SERIAL NUMBER: <b>MULTIPLE LEASES</b>
		6. IF INDIAN, ALLOTTEE OR TRIBE NAME:
		7. UNIT or CA AGREEMENT NAME:
1. TYPE OF WELL OIL WELL <input checked="" type="checkbox"/> GAS WELL <input type="checkbox"/> OTHER _____		8. WELL NAME and NUMBER: <b>SEE ATTACHED</b>
2. NAME OF OPERATOR: <b>EL PASO PRODUCTION OIL AND GAS COMPANY</b> <i>N1845</i>		9. API NUMBER:
3. ADDRESS OF OPERATOR: 1339 EL SEGUNDO AVE NE ALBUQUERQUE NM 87113		10. FIELD AND POOL, OR WILDCAT: <b>SEE ATTACHED</b>
4. LOCATION OF WELL FOOTAGES AT SURFACE: <b>SEE ATTACHED</b>		COUNTY: <b>UINTAH &amp; DUCHESNE</b>
QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN:		STATE: <b>UTAH</b>

11. CHECK APPROPRIATE BOXES TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION	TYPE OF ACTION		
<input checked="" type="checkbox"/> NOTICE OF INTENT (Submit in Duplicate) Approximate date work will start: _____	<input type="checkbox"/> ACIDIZE	<input type="checkbox"/> DEEPEN	<input type="checkbox"/> REPERFORATE CURRENT FORMATION
	<input type="checkbox"/> ALTER CASING	<input type="checkbox"/> FRACTURE TREAT	<input type="checkbox"/> SIDETRACK TO REPAIR WELL
<input type="checkbox"/> SUBSEQUENT REPORT (Submit Original Form Only) Date of work completion: _____	<input type="checkbox"/> CASING REPAIR	<input type="checkbox"/> NEW CONSTRUCTION	<input type="checkbox"/> TEMPORARILY ABANDON
	<input type="checkbox"/> CHANGE TO PREVIOUS PLANS	<input checked="" type="checkbox"/> OPERATOR CHANGE	<input type="checkbox"/> TUBING REPAIR
	<input type="checkbox"/> CHANGE TUBING	<input type="checkbox"/> PLUG AND ABANDON	<input type="checkbox"/> VENT OR FLARE
	<input type="checkbox"/> CHANGE WELL NAME	<input type="checkbox"/> PLUG BACK	<input type="checkbox"/> WATER DISPOSAL
	<input type="checkbox"/> CHANGE WELL STATUS	<input type="checkbox"/> PRODUCTION (START/RESUME)	<input type="checkbox"/> WATER SHUT-OFF
	<input type="checkbox"/> COMMINGLE PRODUCING FORMATIONS	<input type="checkbox"/> RECLAMATION OF WELL SITE	<input type="checkbox"/> OTHER: <b>CHANGE OF OPERATOR</b>
	<input type="checkbox"/> CONVERT WELL TYPE	<input type="checkbox"/> RECOMPLETE - DIFFERENT FORMATION	

12. DESCRIBE PROPOSED OR COMPLETED OPERATIONS. Clearly show all pertinent details including dates, depths, volumes, etc.

PLEASE BE ADVISED THAT EL PASO PRODUCTION OIL AND GAS COMPANY (CURRENT OPERATOR) HAS TRANSFERRED ITS OPERATORSHIP TO EL PASO E&P COMPANY, L.P. (NEW OPERATOR) EFFECTIVE ~~JUNE 30~~ *July 1*, 2006 AND THAT EL PASO E&P COMPANY, L.P. IS CONSIDERED TO BE THE NEW OPERATOR OF THE ATTACHED WELL LOCATIONS.

EL PASO E&P COMPANY, L.P. IS RESPONSIBLE UNDER THE TERMS AND CONDITIONS OF THE LEASE(S) FOR THE OPERATIONS CONDUCTED UPON LEASED LANDS. BOND COVERAGE IS PROVIDED BY THE STATE OF UTAH STATEWIDE BLANKET BOND NO. 400JU0705, BUREAU OF LAND MANAGEMENT NATIONWIDE BOND NO. 103601420, AND BUREAU OF INDIAN AFFAIRS NATIONWIDE BOND NO. 103601473.

El Paso E & P Company, L. P. *N3065*  
1001 Louisiana  
Houston, TX 77002

*William M. Griffin*  
William M. Griffin, Sr. Vice President

NAME (PLEASE PRINT) <b>CHERYL CAMERON</b>	TITLE <b>AUTHORIZED REGULATORY AGENT</b>
SIGNATURE <i>Cheryl Cameron</i>	DATE <b>6/20/2006</b>

(This space for State use only)

**APPROVED** *7/19/06*  
*Earlene Russell*  
Division of Oil, Gas and Mining  
**Earlene Russell, Engineering Technician**

(5/2000)

(See Instructions on Reverse Side)

**RECEIVED**  
**JUL 05 2006**  
DIV. OF OIL, GAS & MINING

CONFIDENTIAL

## DIVISION OF OIL, GAS AND MINING

### **SPUDDING INFORMATION**

Name of Company: EL PASO E&P COMPANY, LP

Well Name: BARCLAY UTE 2-24C6

Api No: 43-013-32671 Lease Type: INDIAN-FEE SURF

Section 24 Township 03S Range 06W County DUCHESNE

Drilling Contractor \_\_\_\_\_ RIG # \_\_\_\_\_

### **SPUDED:**

Date 09/21//06

Time \_\_\_\_\_

How DRY

**Drilling will Commence:** 11/14/2006 – FRONTIER RIG #7

Reported by GORDON McKINNEY / WAYNE GARNER

Telephone # (866) 645-5384 (435) 454-3394

Date 11/14/06 Signed CHD

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT

FORM APPROVED  
OMB No. 1004-0137  
Expires: March 31, 2007

**SUNDRY NOTICES AND REPORTS ON WELLS**

*Do not use this form for proposals to drill or to re-enter an abandoned well. Use Form 3160-3 (APD) for such proposals.*

**SUBMIT IN TRIPLICATE- Other instructions on reverse side.**

1. Type of Well  Oil Well  Gas Well  Other **CONFIDENTIAL**

2. Name of Operator **EL PASO E&P COMPANY, L.P.**

3a. Address **1099 18TH ST, STE 1900, DENVER, CO 80202**

3b. Phone No. (include area code) **303-291-6400**

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)  
**725' FSL, 737' FWL  
SWSW SEC. 24, T3S, R6W**

5. Lease Serial No.  
**14-20-H62-4866**

6. If Indian, Allottee or Tribe Name  
**UTE TRIBE**

7. If Unit or CA/Agreement, Name and/or No.

8. Well Name and No.  
**BARCLAY UTE 2-24C6**

9. API Well No.  
**43-013-32671**

10. Field and Pool, or Exploratory Area  
**ALTAMONT**

11. County or Parish, State  
**DUCHESNE, UT**

**12. CHECK APPROPRIATE BOX(ES) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA**

TYPE OF SUBMISSION	TYPE OF ACTION			
<input type="checkbox"/> Notice of Intent	<input type="checkbox"/> Acidize	<input type="checkbox"/> Deepen	<input type="checkbox"/> Production (Start/Resume)	<input type="checkbox"/> Water Shut-Off
<input checked="" type="checkbox"/> Subsequent Report	<input type="checkbox"/> Alter Casing	<input type="checkbox"/> Fracture Treat	<input type="checkbox"/> Reclamation	<input type="checkbox"/> Well Integrity
<input type="checkbox"/> Final Abandonment Notice	<input type="checkbox"/> Casing Repair	<input type="checkbox"/> New Construction	<input type="checkbox"/> Recomplete	<input type="checkbox"/> Other _____
	<input type="checkbox"/> Change Plans	<input checked="" type="checkbox"/> Plug and Abandon	<input type="checkbox"/> Temporarily Abandon	
	<input type="checkbox"/> Convert to Injection	<input type="checkbox"/> Plug Back	<input type="checkbox"/> Water Disposal	

13. Describe Proposed or Completed Operation (clearly state all pertinent details, including estimated starting date of any proposed work and approximate duration thereof. If the proposal is to deepen directionally or recomplate horizontally, give subsurface locations and measured and true vertical depths of all pertinent markers and zones. Attach the Bond under which the work will be performed or provide the Bond No. on file with BLM/BIA. Required subsequent reports must be filed within 30 days following completion of the involved operations. If the operation results in a multiple completion or recompletion in a new interval, a Form 3160-4 must be filed once testing has been completed. Final Abandonment Notices must be filed only after all requirements, including reclamation, have been completed, and the operator has determined that the site is ready for final inspection.)

**OPERATOR P&A'd THE SUBJECT WELL AS FOLLOWS:**

**PLUG #1: 380 SX CLASS G CMT W/ 3% CALCL @ 15.8 PPG - DISPLACED W/ 6.9 BBLS H2O - 700' - 1017'**

**PLUG #2: 320 SX CLASS G CMT W/ 3% CALCL @ 15.8 PPG - DISPLACED W/ 1.7 BBLS H2O - 107' - 540'**

**PLUG #3: 100 SX CLASS G CMT W/ 3% CALCL @ 15.8 PPG - DISPLACED W/ 1.3 BBLS H2O - 3' - 107'**

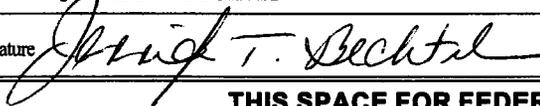
**WELD ON INFORMATION PLATE. WELL P&A ON 11/18/2006. WITNESSED BY JAMIE SPARGER AND CLIFF JOHNSON, BUREAU OF LAND MANAGEMENT, VERNAL FIELD OFFICE.**

14. I hereby certify that the foregoing is true and correct  
Name (Printed/Typed)

**JENNIFER T BECHTEL**

Title **ASSOCIATE ANALYST**

Signature



Date

**11/30/2006**

**THIS SPACE FOR FEDERAL OR STATE OFFICE USE**

Approved by \_\_\_\_\_

Title

Date

Conditions of approval, if any, are attached. Approval of this notice does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon.

Office

Title 18 U.S.C. Section 1001 and Title 43 U.S.C. Section 1212, make it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

(Instructions on page 2)

**RECEIVED**

**DEC 01 2006**

**DIV. OF OIL, GAS & MINING**

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT

**CONFIDENTIAL**

FORM APPROVED  
OMB NO. 1004-0137  
Expires: March 31, 2007

WELL COMPLETION OR RECOMPLETION REPORT AND LOG

5. Lease Serial No. <b>14-20-H62-4866</b>	
6. If Indian, Allottee or Tribe Name <b>Ute Tribe</b>	
7. Unit or CA Agreement Name and No. <b>N/A</b>	
8. Lease Name and Well No. <b>Barclay Ute 2-24C6</b>	
9. AFI Well No. <b>43-013-32671</b>	
10. Field and Pool, or Exploratory <b>Altamont</b>	
11. Sec., T., R., M., on Block and Survey or Area <b>Sec. 24, T3S-R6W</b>	
12. County or Parish <b>Duchesne County</b>	
13. State <b>UT</b>	
17. Elevations (DF, RKB, RT, GL)* <b>5775.5' GR</b>	
1. a. Type of Well <input checked="" type="checkbox"/> Oil Well <input type="checkbox"/> Gas Well <input type="checkbox"/> Dry <input type="checkbox"/> Other	
b. Type of Completion: <input checked="" type="checkbox"/> New Well <input type="checkbox"/> Work Over <input type="checkbox"/> Deepen <input type="checkbox"/> Plug Back <input type="checkbox"/> Diff. Resrv. . Other _____	
2. Name of Operator <b>El Paso E&amp;P Company, LP</b>	
3. Address <b>1099 18th Street, Suite 1900 Denver, CO 80202</b>	
3a. Phone No. (include area code) <b>303-291-6400</b>	
4. Location of Well (Report location clearly and in accordance with Federal requirements)*  At surface <b>SWSW - 725' FSL, 737' FWL</b>  At top prod. interval reported below  At total depth	
14. Date Spudded <b>11/13/2006</b>	15. Date T.D. Reached <b>11/16/2006</b>
16. Date Completed <b>11/18/06</b> <input checked="" type="checkbox"/> D & A <input type="checkbox"/> Ready to Prod.	
18. Total Depth: MD <b>1068'</b> TVD <b>1068'</b>	19. Plug Back T.D.: MD <b>Surface</b> TVD
20. Depth Bridge Plug Set: MD <b>N/A</b> TVD	
21. Type Electric & Other Mechanical Logs Run (Submit copy of each)	
22. Was well cored? <input checked="" type="checkbox"/> No <input type="checkbox"/> Yes (Submit analysis) Was DST run? <input checked="" type="checkbox"/> No <input type="checkbox"/> Yes (Submit report) Directional Survey? <input checked="" type="checkbox"/> No <input type="checkbox"/> Yes (Submit copy)	

23. Casing and Liner Record (Report all strings set in well)

Hole Size	Size/Grade	Wt. (#/ft.)	Top (MD)	Bottom (MD)	Stage Cementer Depth	No. of Sks. & Type of Cement	Slurry Vol. (BBL)	Cement Top*	Amount Pulled

24. Tubing Record

Size	Depth Set (MD)	Packer Depth (MD)	Size	Depth Set (MD)	Packer Depth (MD)	Size	Depth Set (MD)	Packer Depth (MD)

25. Producing Intervals

Formation	Top	Bottom	Perforated Interval	Size	No. Holes	Perf. Status
A)						
B)						
C)						
D)						

26. Perforation Record

27. Acid, Fracture, Treatment, Cement Squeeze, etc.

Depth Interval	Amount and Type of Material

28. Production - Interval A

Date First Produced	Test Date	Hours Tested	Test Production	Oil BBL	Gas MCF	Water BBL	Oil Gravity Corr. API	Gas Gravity	Production Method
			→						
Choke Size	Tbg. Press. Flwg. SI	Csg. Press.	24 Hr. Rate	Oil BBL	Gas MCF	Water BBL	Gas/Oil Ratio	Well Status	
			→						

28a. Production - Interval B

Date First Produced	Test Date	Hours Tested	Test Production	Oil BBL	Gas MCF	Water BBL	Oil Gravity Corr. API	Gas Gravity	Production Method
			→						
Choke Size	Tbg. Press. Flwg. SI	Csg. Press.	24 Hr. Rate	Oil BBL	Gas MCF	Water BBL	Gas/Oil Ratio	Well Status	
			→						

\*(See instructions and spaces for additional data on page 2)

FEB 06 2007

U.S. DEPARTMENT OF THE INTERIOR  
BUREAU OF OIL, GAS & ROCK RESOURCES

28b. Production - Interval C

Date First Produced	Test Date	Hours Tested	Test Production →	Oil BBL	Gas MCF	Water BBL	Oil Gravity Corr. API	Gas Gravity	Production Method
Choke Size	Tbg. Press. Flwg. SI	Csg. Press.	24 Hr. Rate →	Oil BBL	Gas MCF	Water BBL	Gas/Oil Ratio	Well Status	

28c. Production - Interval D

Date First Produced	Test Date	Hours Tested	Test Production →	Oil BBL	Gas MCF	Water BBL	Oil Gravity Corr. API	Gas Gravity	Production Method
Choke Size	Tbg. Press. Flwg. SI	Csg. Press.	24 Hr. Rate →	Oil BBL	Gas MCF	Water BBL	Gas/Oil Ratio	Well Status	

29. Disposition of Gas (Sold, used for fuel, vented, etc.)

30. Summary of Porous Zones (Include Aquifers):

Show all important zones of porosity and contents thereof: Cored intervals and all drill-stem tests, including depth interval tested, cushion used, time tool open, flowing and shut-in pressures and recoveries.

31. Formation (Log) Markers

Formation	Top	Bottom	Descriptions, Contents, etc.	Name	Top
					Meas. Depth

32. Additional remarks (include plugging procedure):

PLUG #1: 380 SX CLASS G CMT W/ 3% CALCL @ 15.8 PPG - DISPLACED W/ 6.9 BBLs H2O - 700' - 1017'  
 PLUG #2: 320 SX CLASS G CMT W/ 3% CALCL @ 15.8 PPG - DISPLACED W/ 1.7 BBLs H2O - 107' - 540'  
 PLUG #3: 100 SX CLASS G CMT W/ 3% CALCL @ 15.8 PPG - DISPLACED W/ 1.3 BBLs H2O - 3' - 107'

P&A 11-18-06

33. Indicate which items have been attached by placing a check in the appropriate boxes:

- Electrical/Mechanical Logs (1 full set req'd.)    
  Geologic Report    
  DST Report    
  Directional Survey  
 Sundry Notice for plugging and cement verification    
  Core Analysis    
  Other:

34. I hereby certify that the foregoing and attached information is complete and correct as determined from all available records (see attached instructions)\*

Name (please print) Jennifer T Bechtel

Title Associate Analyst

Signature Jennifer T. Bechtel

Date 01/31/2007

Title 18 U.S.C Section 1001 and Title 43 U.S.C Section 1212, make it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.